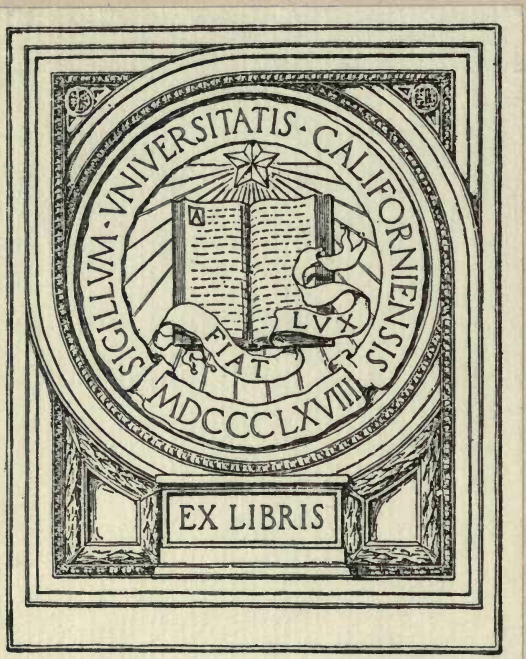
IS MEXICO WORTH SAVING

By

GEORGE AGNEW CHAMBERLAIN



BANCROFT LIBRARY

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Digitized for Microsoft Corporation
by the Internet Archive in 2007.
From University of California Libraries.
May be used for non-commercial, personal, research,
or educational purposes, or any fair use.
May not be indexed in a commercial service.

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

IS MEXICO WORTH SAVING

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

IS MEXICO WORTH SAVING

By

GEORGE AGNEW CHAMBERLAIN

LATE CONSUL-GENERAL, CITY OF MEXICO

INDIANAPOLIS

THE BOBBS-MERRILL COMPANY

PUBLISHERS

Univ Calif - Digitized by Microsoft ®

235
48

COPYRIGHT 1920
THE BOBBS-MERRILL COMPANY

Printed in the United States of America

PRESS OF
BRAUNWORTH & CO.
BOOK MANUFACTURERS
BROOKLYN, N. Y.

Univ Calif - Digitized by Microsoft ®

6308

CONTENTS

CHAPTER		PAGE
I	CARRANZA	13
II	WHAT IS SHE	35
III	GOVERNMENT BY BANDITRY . . .	65
IV	ROBBERY BY DECREE	102
V	WHY ARMENIA	135
VI	NEGOTIATION BY ULTIMATUM ONLY	171
VII	THE ONLY WAY	207

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

IS MEXICO WORTH SAVING

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

IS MEXICO WORTH SAVING

CHAPTER I

CARRANZA

DATING from the Conquest, Mexico has been the recognized kaleidoscope among the nations. So rapidly are events habitually juggled throughout her territories that no man, whether native or foreign observer, has ever prophesied with success as to the course she would take in any crisis unless he prophesied disaster on the theory that what has been, will be.

The average American for whom this book is written has neither the time nor the inclination to study the thousand aspects of the shifting prisms which make up the Mexican kaleidoscope, but it will pay him now more than ever before to grasp certain phases which stand out above the confusion of the general panorama and estimate for himself the force of the conclusions which will be presented as embracing the only

Univ Calif - Digitized by Microsoft ®

satisfactory and permanent solution of a problem that must inevitably continue to annoy us until it is finally settled.

The first of these phases is the consideration that however rapid the changes in the Mexican situation, *the ingredients are constant.* If this truth is seized and held, a long step will have been taken toward simplification and understanding, because it will be seen that we need not bother with isolated turmoil except as illustrating the study of what can be considered a *permanent condition of unrest.*

Fasten your mind on this permanent condition of unrest. Whence does it arise? Why does it repeat itself? Why has it been unprecedentedly acute during the last seven years? How have we contributed to its increase? Why does it matter more to us to-day than it did during the three-quarters of a century of anarchy which preceded Diaz? Most important of all, why are we being rapidly driven to a point where, irrespective of our inclination, we must both understand and take action on these questions?

Univ Calif - Digitized by Microsoft®

There are two ways of answering a question: one is by unsupported statement, the other is by conviction. We employ the former toward children, often with astonishing results. "What is adoption?" asks the shorter catechism and answers itself in the same breath, "An act of God's free grace;" whereupon at least one child was convinced that Godfrey's Grace had been up to something. But if left to themselves children invariably employ the method of conviction as evidenced by the reply of a youngster to the question, "What is thought?" "Thought is the greatest think man ever thunk of; if it wasent for thunk man wouldent be no greater nor a horse."

From reading these two answers which would you learn more about, adoption or thought? There is no doubt in my own mind as to the relative value of the two methods of assertion and conviction; nevertheless I shall use them both because the mere listing of questions with accompanying didactic answers serves to fasten attention on the matter to be discussed and holds

Univ Calif - Digitized by Microsoft ®

subsequent persuasion to certain very definite ends.

Following this intention, whence does Mexico's permanent condition of unrest arise? From maladministration of public funds. Why does it repeat itself? Because there has never been party government with its swing of the pendulum of power, but a succession of oligarchies. Why has it been unprecedentedly acute during the last seven years? Because it has exceeded the bounds heretofore recognized as limiting the oppressions of group governments to their own nationals. How have we contributed to this increase of an evil? By propounding the extraordinary doctrine that no American has a right to live abroad. Why does chaos in Mexico matter more to us to-day than it did during the three-quarters of a century preceding Diaz? Because upon invitation of his government we sent over forty thousand Americans and a billion and a half dollars into the country. Why are we being rapidly driven to a point where we must both understand and take action on these

Univ Calif - Digitized by Microsoft ®

questions whether we want to or not? Because a nation can ignore a cur yapping at its heels but not a knife held at its back.

There you have the thesis of this argument. It is not my purpose to take each of these assertions in the order they have been set down and prove them by an endless array of incidents covering a hundred years of history. That would be merely to invite you to confuse yourself by gazing into the kaleidoscope. The most I hope to do is to fasten your attention on a series of illuminating high-lights so that at the end you can say: "These deductions are well founded; the conclusions appeal to reason; the solution of the problem is adequate."

When one is inviting a busy man to solve a troublesome equation, the very first step is to persuade him that its solution is urgent, that it is important to him individually. Average men are slow to perform any given action on the ground that it will save the world, but they are quick in decision if it is a matter of saving five cents. The unthinking cynic is apt to cry,

Univ Calif - Digitized by Microsoft ®

"Human nature!" in the face of this truth, and he is dead wrong. The reason average man is slow to save the world and quick to save a nickel is that when dreamtime is over he can't persuade himself that a single action will save the world but he can believe that it may save five cents. Here you have the difference between a mirage and a carfare, between altruism running wild and common sense plodding along on the job.

Before the writer went to Mexico he was an advocate of a league to enforce peace. Two years in that country reversed his system of thought. What had happened? Fancy had been wrecked on fact. He knew from the inside that during years we had held a tacit mandatory from Great Britain and France over Mexico. In its exercise we had successively applied the following shibboleths of international altruism: watchful waiting, hands off, self-determination, no force against a weaker nation, benevolence and no protection to nationals abroad.

He was one of the inactive agents in the official trying out of every one of these slogans of

Univ Calif - Digitized by Microsoft ®

peace at any price and he can conscientiously take his oath before man and God that in every case these doctrines have been the source of misery without benefit not only to those of our own flesh and blood who innocently went abroad in the faith of an established tradition of protection but to the Mexicans themselves. Pricked by the goad of facts he was forced to realize against his natural inclination and personal interests that you cannot reach a millennium by hanging in air a roof of peace unsupported by the foundations and props of elementary justice.

It is possible that you agree with that assertion but fail to see what individual interest you have in reviewing the remarkable career of Carranza, made possible only by the no less remarkable stand taken by President Wilson and ending in one of the great futilities of history. If fate had not brought these two extraordinary individualities into juxtaposition,—that is, if the greatest illusionist in our own history had not synchronized with the greatest opportunist Mexico has produced,—we would not be faced to-day

Univ Calif - Digitized by Microsoft ®

with an astonishing dilemma. In other words, if altruism had met altruism no damage would have been done; but with our own pilot throwing overboard the working gear of the ship of state,—masts, stays and anchor, everything but the hull itself,—and the other pilot salvaging the lot with both hands, it is time we awoke to the fact that we have showered on the Mexicans unwarranted concessions which cannot be assimilated by them without causing national indigestion, and which we must devise some means of rescinding for the benefit of the latest Mexican Republic no less than for our own.

Just what was the working gear President Wilson abandoned? When he declared publicly for watchful waiting, he put public interest in outrages across the border to sleep; when he announced the doctrine of hands off, he sapped the strength from diplomatic protest; when he came out for self-determination, he blinded himself and the world to the fact that Mexico has had self-determination for a hundred years; when he proclaimed benevolence to Mexico and

Univ Calif - Digitized by Microsoft ®

no protection to nationals abroad, he made all ultimatums absurd; when he declared for no force against a weaker nation, he abandoned the anchor of an appeal to arms, the basis and foundation without which all negotiation, friendly or unfriendly, is simply non-existent.

For the course of this chapter, never mind whether you think he was right or wrong but admit that since the fall of Huerta, President Wilson has been an attitude in his relations to Mexico, never a force. This brings us into position for a study of Carranza, a man who in the six years preceding his tragic death showed a greater individual development than any personality in America since Lincoln. That his growth was inverted and found expression not in the liberation but in the oppression of a people does not diminish his significance; it merely stamps it with a different hall-mark.

Three years ago Carranza was balanced above a quaking military bog; twelve months later he was a power with the apparent stability of a rock. What was the answer? He had hit upon

Univ Calif - Digitized by Microsoft ®

a formula. He had discovered that by taking one part sophistry, two parts blood money, and three parts hatred of the United States he could coagulate the quagmire under him into temporary concrete. He did it and from that emplacement systematically slapped us with an immunity which astonished himself, his associates, and the world at large. Opportune turns of the wheel of fortune and the effective moral aid of the President of the United States placed him at the head of a nominal Mexican government so insecure in every element which tends toward stability among normal peoples that his position appeared absolutely untenable. Before him stretched a rough road strewn with the rocks of growing deficits, internal disorders, clamoring claims, and hedged by the endless byways of reconstruction. Behind him was a record of prowess by the grace of luck and, lurking in the shadow, the enigmatically smiling faces of half a dozen generals, any one of whom could have pushed the Supreme Chief off his rickety pedestal by the raising of a little finger. What saved him for a meteoric rise and an

Univ Calif - Digitized by Microsoft ®

inevitable crash? His difficulties and the echoing emptiness of the national larder. He was heir to a heritage which no one envied.

The months of grace granted him by that single condition proved a forcing house for elements of greatness in Carranza, wholly unsuspected by his quiescent rivals or the public at large. He had no ardent admirers even among his own people. He was absolutely devoid of the magnetism of a popular leader, he was unsupported by any spectacular achievement, insecure in his hold on imaginations easily fired by eloquence. He lacked, in comparison with certain of his forerunners, the loud-mouthed echoing of grandiloquent ideals from a host of hungry satellites. When every one expected him to fall as a matter of course he stood because none had a motive for hastening the empty debacle, and as a result he gained time.

To none of his predecessors had time brought anything but disaster, for Mexico is the home of the coup d'etat, of fame born overnight, and of man in breathless and often ridiculous pur-

Univ Calif - Digitized by Microsoft ®

suit of the event. But Carranza seemed different. He had three virtues highly praised among mortals, but seldom exercised because their power is so slow in accumulation: silence, patience, immobility. Behind that triple screen he sat like some hibernating insect and projected his antennæ, Luis Cabrera, Alberto Pani, Rafael Nieto, all civilians, into the surrounding atmosphere, feeling out the calm before the storm.

At that time, over three years ago, he was at a momentous parting of the ways, but how far he sensed the fact will never be known, for such words as come from the mouth of an established oracle never fit the small beginnings of power. Nevertheless he had a choice more distinctly defined than any granted his many prototypes. Circumstances were blocked out for him in unusually clear masses. The World War was at its height and absorbed the attention of the American people and government. From the same source, and in the face of a wrecked banking system, had sprung a lusty little trade boom which sufficed to feed the exchequer hand to mouth and day by

Univ Calif - Digitized by Microsoft ®

day. Finally, there was an almost totally fresh deal in resident American officials from the Ambassador down, men picked for their experience in Latin affairs, unbiased by the trying events which had scarred their predecessors, and trained in a school of effective compromise, friendly by profession.

Carranza had the choice of two roads. He could accept Fletcher's Embassy and the revitalizing of our consular establishment throughout Mexico, in the spirit evidenced by the action of the United States in sending a full quota of officers, and by so doing lift his country out of a harassing maze of misunderstanding to a pinnacle of prosperity never before attained. Or he could turn a cold eye on the hand of friendship and build an insecure edifice of his own on the rubble of internal greed, jealousies and pride.

The horns of this dilemma were not equal. The road to international friendship was open as far as the eye could see, but there was a gamble at its end. Carranza could hang a policy of *rapprochement* on the peg of our passive resistance

Univ Calif - Digitized by Microsoft ®

to Huerta and consequent aid to himself, open up genuine negotiations for a settlement of all outstanding differences, assume a position of benevolent neutrality toward the World War, reap the full benefits for his country of a tremendous rush in trade, borrow the millions he needed for a funding of every foreign obligation, revivify industry, and substitute for the traditional enrichment of the few by graft a wave of almost universal prosperity. He could have done all this. But he could not estimate his chances of holding the replenished resources of the nation against the enigmatically smiling military commanders behind his back once his success should have aroused their cupidity. That was the gamble with honor he refused to face, and for what an alternative!

He turned into the road of opportunism, not suddenly, nor with a blare of trumpets, but with a shrewd and measured calculation. If an epigram can stamp a hall-mark on any career, it may be said of Carranza that he was established by the conditions that threatened him. Without

Univ Calif - Digitized by Microsoft ®

power there is no danger. The military were dangerous to him; he knew it, everybody knew it, it was the talk of the streets. He was no soldier. He could not attain to a legitimate share in that power, but by taking thought for a month of morrows he could bend temporarily the whole of it to his own uses.

How did he do it? By looking for the danger behind the danger. What gave strength to the military? Not honesty, nor patriotism, nor enforcement of order, but patronage, hypocrisy in the face of unsettled conditions, and last, but by no means least, the immemorial right among the family of Mexican generals of every generation to point to the Colossus of the North, and yell "Treason!" at any reasonable arrangement with the United States. Here was his formula—graft, banditry and international insult in combination; and apparently no gamble at the end of the road.

By selling himself body and soul to the military through emptying into its pockets sixty per cent. of the national revenue, it became his ally

Univ Calif - Digitized by Microsoft ®

at least for as long as the exchequer could stand the strain. Hand in hand with that result went one of far-reaching consequences. Mexico was not at war. She was not even threatened with war. Why, then, spend almost two-thirds of her total resources in maintaining an army? The answer was, bandits, internal disorders. While they lasted the army had a reason for existence. The fact that these disorders existed up to the day of the disaffection of Obregon and his followers, even at the doors of the capital, carries on its face the proof that the army realized from the first the necessity for keeping intact, as long as it was profitable, the right-angled triangle with lawlessness for its base, the military as the upright and Carranza in the rôle of chestnut snatcher as the buttressing hypotenuse.

If the results of Carranza's taking the wrong turn had been limited to a petty conspiracy for the bleeding of his own country, we could shrug our shoulders and pass on as we have for a century past, but the fatality about any crossroads is that it implies an increasing divergence. If one of

Univ Calif - Digitized by Microsoft ®

those two paths led to mutual benefit for the United States and Mexico, the other led necessarily to estrangement. If one meant pacification, security for both labor and capital, international honor and reconstruction, the other meant internecine warfare, abandoned fields, rusting industries, the palm of bad faith among nations, penury and despair to all save the military clique and its satellites. The greatness of Carranza was in a measure forced upon him. Nothing short of President Wilson's reiterated assurances that whatever Mexico's course, he would remain passive, could have lured Carranza to follow the road to power at so breakneck a pace; but once he awoke to find his feet set on that highway he developed extraordinary attributes of vision, understanding and constant action. What I mean by that is that he did not consciously choose the goal of estrangement from the United States but having had it handed to him on a platter, garnished with racial prejudice in his own country and with supine acquiesence in ours, *he saw his chance.* He not only accepted

Univ Calif - Digitized by Microsoft ®

the goal; with his eyes wide open he decided that since he had to travel that road he would miss no single opportunity of aggrandisement for himself and incidentally for Mexico.

From that day a remarkable contest arose between the presidents of the two countries. One started throwing away all he possessed and the other set out to grab all he could get. It is easier to drop things than it is to pick them up, consequently the honors of this herculean battle went to Carranza, for we let go no single hard-earned item of precedent, prestige or power which he failed to seize before it hit the ground and turn to his own uses.

If it were possible to put personalities out of mind and study these two individuals as mighty exponents of diametrically opposed ideas, certain truths would stand out above the plane of controversy and reestablish common sense as the proper basis for comity between nations. Wilson stood for internationalism in its most altruistic interpretation; Carranza for nationalism in its most selfish application. Wilson buried

Univ Calif - Digitized by Microsoft ®

his head not in sand but in the clouds of chimerical aspirations, abstract considerations and nebular intentions. In other words, he perched on a weather-vane and never knew from one moment to another which way he was headed. Carranza kept his eye peeled, his feet on Mother Earth, and followed the ball morning, noon and night. Wilson was passive; Carranza active.

We need not go here into the natural laws which govern the development of bodies in action and inaction beyond noting that passivism implies voluntary atrophy; the pacifist is entirely logical only when he is dead. The activist, however, thrives on the submission of others; he grows by acquisition. By no other formula can we account for the astonishing evolution of Carranza during the last three years of his disastrous reign. He gorged himself on the inanition of Wilson. As a result, as far as our relations with Mexico at the present day are concerned, our interests can best be pictured as in the position of a large frog swallowed whole by a small snake.

If these two presidential gladiators had

Univ Calif - Digitized by Microsoft ®

lined up behind their personal property only and one had said, "See if you can take faster than I can throw away," and the other had replied, "See if you can throw away faster than I can take," the battle might have gone on for seven years without arousing anything beyond good-natured laughter; but unfortunately what our President threw overboard so recklessly was the commerce of the United States, the traditions of every-day good faith of the American people, the safety of our nationals wherever they may wish to wander, the conception of justice *first* as the basis of international dealing and incidentally the respect of the Mexicans,—in short, almost the entire diplomatic heritage of the nation.

Could we balance against this loss any genuine benefit to Mexico we might take vicarious satisfaction in the sacrifice, but seven years of pusillanimity on our part disguised under the term of benevolence produced no happy nation south of the border. On the contrary, since the success of the Obregon revolution it has become common talk throughout Mexico that the stand

Univ Calif - Digitized by Microsoft ®

taken by Wilson, amounting to tacit approval of all Carranza's activities, was the preponderant source in Mexico of internal strife and disorder. Carranza alone emerged from the wreckage with added stature.

Because we were easy to feed upon he grew to proportions which otherwise he would never have attained. He had the shrewdness to see that self-imposed weakness smells the same as weakness under any other name, he appreciated the fact that *any* policy is supreme over *no* policy. He chose a single road, traveled along it doggedly and left Wilson on his weather-vane four years behind history. Carranza, the individual, has been eliminated, but the unwarranted concessions which we lavished upon him do not pass with his downfall; they have stood for seven years and under the name of precedents they are bound to prove stumbling blocks in the path of any sane international readjustment.

By reason not so much of his crown of martyrdom but because he was steadfast to the end in flaunting the crushing power involved in the aloof-

Univ Calif - Digitized by Microsoft ®

ness of the United States, Carranza's position in history is assured. He was the opportunist who never missed a chance,—not even in death. He stands as a concrete fact against a background of illusions. He died the undefeated champion of divorce at any price between Latin America and the United States, and made us and his own people unwilling heirs to years of avoidable unrest. What strength he bequeaths to his country is the memory of pledges broken, traditions uprooted, and international obligations repudiated, all with impunity. By that legacy alone, however, he quit the game of life as he saw fit to play it—a winner.

Univ Calif - Digitized by Microsoft ®

CHAPTER II

WHAT IS SHE

Do YOU know Mexico? Have you ever traversed her plains or crossed the superb ranges of her mountains? She is the woman *par excellence* among nations, a naturally fruitful vine, mistress of more varieties and changing moods than any other equal territory on the face of the earth. Her feet are dipped in tepid waters, her skirts trail the lush riches of the tropics, she is girdled with fertile though abandoned valleys, bedecked with gold, silver and irrepressible harvests, and crowned with a diadem of snow-capped peaks. She is forever in travail and, rain or shine, troubled or untroubled, presents to the world's commerce men-children full-grown—bullion, by the carload; hemp, by the million bales; oil, beyond the capacity of any known method of transportation.

Just at this point, and to stem the cupidity that may arise from such a picture in the minds of

Univ Calif - Digitized by Microsoft ®

those who look upon any territorial maiden in distress as fair prey, let me say that nothing in this argument of a great issue should be construed as advocating the annexation by conquest of all or part of Mexico under any conceivable eventuality. We must do something; the time is upon us when we have it in our power to do something tremendously constructive, but to square that something with our own ideals and the demands of humanity we require more than a moment of thought or an outburst of chauvinism. We need to balance the present against the past, review the record of affront and injury, and then turn our minds to the crystallizing of vague desires for a clean-up, any clean-up, into a definite and concise program aimed at a single goal, which, once reached, will insure international peace and internal tranquillity not for a day, a year, or even a dictator's lifetime, but for such a period as blesses only those monuments of human endeavor which are built in wisdom on the lasting foundations of elementary justice, genuine equality and actual freedom.

Univ Calif - Digitized by Microsoft ®

Why not state that goal here and now in a paragraph, and be done with it? Because no man can judge a penalty without considering the crime. Because we are not ready for immediate absorption of a conclusion based on fragmentary evidence. Because, in spite of the flood of exposures of outrages perpetrated in Mexico and let loose by our daily press, the public still knows nothing of their basic causes.

When an American attempts to visualize Mexico in her relation to the United States, what does he see? A yapping terrier fighting the tail of a snoring St. Bernard? A curious monkey hammering with a rock on the percussion cap of an unexploded shell? A teasing boy experimenting on how far he can go without colliding with a slipper? If these conceptions, all tolerant and unfortunately wide-spread, were near the truth, we might be justified in balancing the ills of continued indifference, watchful waiting, and subterfuge against the burdens and the annoyance, to a war-weary world, of decisive action.

Univ Calif - Digitized by Microsoft ®

But Mexico to-day, whatever she may have been in the past, is more than a yapping cur, a teasing boy, or a curious monkey, and it is high time that the man in the street should measure her potential viciousness, revise his misconception, and read the writing on the wall of a hundred years of history and four years of Carranza. Mexico has a continuing policy not invented but innate, sucked in with mother's milk. Among devotees of a certain pastime it can be described as the art of passing the buck; in more dignified language, she blinds us from her pepper-box of high-sounding words and behind that screen resorts with astonishing success and redundancy to actions treacherous to our welfare and disastrous to her own.

If we do not adopt an active policy having a definite aim and stick to it, she will repeat this procedure sooner or later, whoever happens to be in temporary possession of her coffers. You and I have a legitimate lien on these coffers by right of purchase and it will repay you to learn why and how as well as its extent.

Univ Calif - Digitized by Microsoft ®

Just what percentage of a hundred millions of us is interested in trade or in banking or in manufacture for export or in the purchase of raw materials for home consumption or in the every-day marketing of goods or in commerce in the big sense of world-crop movements? Do you belong under that list? If so forget the emotionalism and the interested propaganda that have made the Mexican question a bore to the practical mind and wake up to the fact that you are sitting in on a big deal, that you have been in it a long, long time and that before you know it somebody will poke you in the ribs and call on you to decide in a hurry whether you are going to defend your margin.

A man's actions are too often like seeds from an unreliable seed-house. He plants them, speculates knowingly on the crop he thinks he is sowing and then wakes up to the morning after. Where he expected a forest he reaps corn or tares and to his amazement what he thought was a *frijole* turns out to have been an acorn. This happened to Carranza. In propitiating the military with

Univ Calif - Digitized by Microsoft ®

over half the sugar in the national barrel he did not reckon on the creation of a mastering brute through fattening the belly of banditry; in sticking pins into the softest portion of the United States while its face was turned inexorably toward Europe he did not foresee a feverish outburst of race hatred so violent that it was bound to burn itself out. Least of all did he imagine that from the combination of these two lucky-strike departures he was to balloon into the champion of all Latin America against the Gringo.

What is Mexico? Is she the barren rampart of rock that frowns from the west on the Gulf of California or the alkali and cactus desert that baffled Pershing, or is she potentially the richest country of her size in the wide world,—and no mean size at that? Here are the facts. From the snow-capped breasts of Popocatapetl and Ixtaccihuatl, hanging seventeen thousand feet in air, she radiates through frigid, temperate and tropic zones. She can and does play the whole octave of agricultural production from winter wheat to sorghum, sorghum to sugar cane, sugar

Univ Calif - Digitized by Microsoft ®

cane to coffee, coffee to cotton, cotton to chicle, and chicle to the guayule of desert country and the henequen of torrid sands.

Since the fencing of our own West and up to the fall of Diaz her plains swarmed with such herds as are only a memory to cattlemen of the defunct lariat school. Twelve years ago a single proprietor branded ninety thousand calves and had to let the rest enter the maverick class. Where are these cattle to-day? Stolen, scattered and shot down by the thousand for the sake of the hides alone, some by out and out bandits but a far greater number by Constitutionalist predatory troops. The cattle are gone but the plains still stretch to the horizon.

It may be that you are not interested in the farm and range products, the strictly internal wealth of Mexico. Think a minute. You know our own country. Where is its spinal column, the backbone of the nation, if not in field and farm? He who sells, buys. Now, how many motor-cars, tractors, silos, reapers, sewing machines, lightning rods, spools of cotton, bolts of

Univ Calif - Digitized by Microsoft ®

cloth and boxes of bonbons do you think the backbone of the United States would buy if all its railways but one were subject to almost daily wrecks by dynamite, if half of its states were overrun by outlaws and if over the other half the national army were turned loose to bleed graft from every producer?

Such was the unhappy condition of Mexico under Carranza; yet in the face of it she did business with us in 1918 to the tune of $245,613,991 as against a total trade with the world at large of $80,496,365 for the last six months of 1908 when she was still looked upon as a nation rather than as a seething cauldron of oppressors and oppressed. If she can reach that figure with a broken backbone what might she not attain to under a stable and just government which, not in words but in actual practise, should permit the peon to plant with some hope of reaping his crop and not the whirlwind, refugee property holders to return to their ranches, industries to resume and merchants to import with a reasonable chance of getting the goods bought for cash in full with their orders?

Univ Calif - Digitized by Microsoft ®

But when it comes to measuring the size of the commercial pot at stake, Mexico's internal wealth is only half the story. Owing to the invasion of foreign blood, money and energy which took place during the last quarter of the nineteenth century she experienced a resurrection of which the average American is surprisingly ignorant. Here is a country that lies cheek by jowl with ours along a border of eighteen hundred and ten miles, yet how many of us know that in spite of insurrection and banditry on the one hand and a government whose motto was the destruction of property values on the other, she is to-day a large factor in half a dozen crops and products the movements of which shake the markets of the world?

What are these sources of wealth? Does the list touch you? Crude oil, silver, gold, hemp, chicle—the foundation of chewing gum—and coffee. Until the wholesale destruction of plantations by bandits and of industries by Carranza's government she was an exporter of rubber, sugar and tobacco. During the war she became our main-

Univ Calif - Digitized by Microsoft®

stay in the supply of certain basic ores. In 1919 she exported 74,000,000 barrels of crude oil valued at over $90,000,000; in 1911, before the total production of gold was absorbed for internal uses, her export of that commodity exceeded $29,000,000; in 1919 she produced 1948 metric tons of silver bullion valued at over $80,000,000. The last available figures give her an average annual export of coffee of over 18,000 tons.

This is not a statistical chapter. It is written for the man in a hurry looking for a comprehensive bird's-eye view upon which he can base a just and practical working estimate of the facts in the case. How better sum up for him a concrete conclusion than by pointing out that with Mexico in turmoil, with all but one of her railways subject to frequent raids, with her entire banking system in suspension, with a lack of the common guarantees of life to any American caught ten miles from any town, with import and export taxes tripled and quadrupled, with an oligarchical government sucking graft from every peon,—with this Mexico, rich even in her poverty, we

Univ Calif - Digitized by Microsoft ®

did a business of $277,000,000 in 1919 as against $141,000,000 in 1914.

Compare those figures with her total trade of $80,496,365 for the last six months of 1908, not with the United States but with the world, remember that this progress was made in the face of a governmental destructive policy which wiped out ninety per cent. of her industries, invalidated life-long titles and undermined the good will of every civilized nation with which she was in commercial contact and give due credit to her astounding vitality and irrepressible natural wealth.

Now, what is our legitimate stake in this neighboring country and how have we protected it? The best estimates place the figure at a billion and a half dollars, more American money than is invested industrially in any other country, more than was so invested by Americans fifteen years ago in all other foreign countries put together! How have we defended it? Ever since President Wilson applied the invidious tag of Big Interests against the fifty thousand Americans who were employed throughout Mexico ten years

Univ Calif - Digitized by Microsoft ®

ago on railways, farms and ranches, in mines, smelters, foundries, breweries and oil-fields, we have defended it not at all.

If you are an industrial, a farmer or small land-owner, reflect that the apathy which swept through the United States on account of the loosing of that epithet has displaced none of the big mining or oil companies as yet, but it threw out of their jobs and off their hard-earned land forty thousand industrials, farmers and small land-owners of your own flesh and blood and bids fair to establish a doctrine contrary to all our previous tradition, the doctrine that an American has a right to live only at home.

Reflect further on the following lime-light string of incidents. A year ago I was in a small New York up-state city and was introduced in the lobby of its bank as fresh from Mexico. Inside half an hour a group of eight investors in Mexico had gathered for a post-mortem. Two weeks later I was in a sleepy South Jersey city where a doctor spoke reminiscently of when he refused a quarter of a million for his share in a

Univ Calif - Digitized by Microsoft®

Mexican mine. He is still holding the share and the bag. "But," he said, "I'm not the only one. There are half a dozen more in this town that remember Mexico." Finally, the other day I was relating the above to some guests in New York when the maid in attendance murmured, "My husband had two rubber plantations in Mexico."

What does this indicate? It shows that it is not only the West and the Southwest of the United States that have a stake in Mexico; it shows that Americans of humble station as well as large investors have paid a heavy price, in many cases all they possessed, because the President forced an abandonment of their rights by insisting that watchful waiting was a policy and not a will-o'-the-wisp luring us through inaction into a mire.

With his eyes shut tight against facts, he seized upon the expedient of shouting Big Interests! with the intention or at least the result of diverting the public from a condition which it was beginning to see was outrageous. Incidentally the sugar-pill which he handed this country to quiet its well-founded solicitude for the welfare of our

Univ Calif - Digitized by Microsoft ®

largest and most productive foreign colony has induced the murder of more Americans in ten years than had been murdered abroad in the previous century, and the proportion of capitalist victims to every-day, common-garden, You-and-I people has been as one to a hundred. Think it out.

But let us take up the gage. There is something to be said for big interests. I shall go further than that. I will assert that even oil interests have rights and to make you believe it let us connect them in a single paragraph with the money in your own pocket if you possess a Rolls-Royce or a flivver or work in a factory or travel by sea or ship goods or depend on a jitney to get to your job or if you contribute to the support of the United States Navy.

The Mexican fields now supply over ninety per cent. of all the fuel oil used on our Atlantic and Gulf coasts both for bunkering ships and industrial purposes, namely, 60,000,000 barrels per annum, almost double the amount that came from the same source in 1918. What did you pay a ton

Univ Calif - Digitized by Microsoft ®

for the coal in your cellar? What did your town's industries pay for their winter stock? Whatever the price it will go higher for every barrel of Mexican oil that is prevented from reaching our shores. Do you buy gasoline for flivver, pump, factory or cleaning gloves? The 60,000,000 barrels of fuel oil are the residuum from 300,000,000 gallons of gasoline which went into the regular trade of this country and are helping to move our 6,000,000 pleasure cars, lorries and delivery wagons to say nothing of the tractors and producing agents of town and field.

I hold no brief for any special interest and can prove it. I owe no favors, least of all to the oil interests involved in Mexico. We are not concerned here with whether those interests have bungled in questions of policy or not, but we are deeply concerned in the facts of a condition which among other ills threatens the very existence of our merchant marine.

What are these facts? In the first place the vast holdings of the twenty-odd operating American companies in Mexico were not secured by

Univ Calif - Digitized by Microsoft ®

grants or concessions as the President implied in his speeches through ignorance or malice; they were bought and paid for in the open market just as you bought your winter hat or an overcoat if you had the price. They were secured not only by the usual legal titles to land but by a clause in the mining laws under the constitution of 1857 which stated specifically that petroleum and its by-products were free of the mining law and subject to transfer with the soil.

Now what follows is so extraordinary that it is difficult to believe. The present Mexican government adopted in 1917 a new constitution which nationalized the subsoil; in other words it declared that land titles no longer carried the right to the oil under the surface. No just man can object to that stand; it embraces a progressive principle which is already widely recognized. Incidentally the same constitution of 1917 carried assurances stating that none of its provisions was to be construed as retroactive.

So far, so good. Here follows the incredible. By a series of decrees, unconfirmed by any Mexi-

Univ Calif - Digitized by Microsoft ®

can Congress, Carranza declared the clauses affecting oil in the new constitution to be retroactive. This colossal imposition was made possible only by President Wilson's repeated assertion that no matter what Mexico had done, or might do, this country would never again resort to force.

Already it has been publicly announced that the Obregon government offers to recede from this untenable position, but we should be wary of accepting bare justice as though it were a great concession. Diplomatically, we should fight tooth and nail against even the appearance of trading to get back the inalienable rights jettisoned by Mr. Wilson. Bare justice is never a concession in any litigation; it is merely the preliminary to negotiation.

If the oil companies had complied even under protest with the law of Mexico as Carranza individually interpreted it, any arbiter would be justified in holding that they had forfeited their existing rights as well as the right of recourse to Mexican or international courts. Consequently these companies, with a few exceptions, stood pat,

Univ Calif - Digitized by Microsoft ®

refused point-blank to step into the trap laid for them and have been feeding half the lawyers in Mexico City in attempts to secure justice before courts notoriously corrupt. Of course, they supplemented that vain effort by appeals to our State Department which day by day laboriously ground out notes destined to no nobler effect or fate than to become the laughing-stock of future generations.

Meanwhile Carranza steadily proceeded along the line of no resistance indicated to him by our plan of watchful waiting. Beginning with November 9th, 1919, armed Federal forces closed down eighty per cent. of all new wells drilling in Mexico. Add to that the fact that a surprisingly large number of the big wells in Mexico went out of production last year through exhaustion and salt-water flooding and you will realize in part why our Navy, Shipping Board and every individual consumer of crude oil and gasoline are so pressed to-day for a minimum working supply of fuel.

By the middle of January of this year the oil companies were brought to bay and played their

Univ Calif - Digitized by Microsoft ®

last card. Their Producers' Association abandoned the paralyzed machinery of the State Department and addressed a telegram direct to the President of Mexico pointing out the disastrous economic consequences to the Mexican government should oil production come to an absolute standstill.

It happened that at that time the millions of dollars paid in export taxes on oil formed the margin of safety in the Mexican national budget, but the fact that Carranza conceded the granting of strictly temporary drilling permits, in a six-hundred-word cablegram published in full by the press, is remarkable for the manner in which that cablegram was addressed rather than for its welcome content.

For six months our State Department had been sweating notes on this very question of drilling permits without result. Picture for yourself the purely personal satisfaction of Carranza in putting one more of many over on that dignified division of our government by addressing his concession, whatever the underlying home conditions which made him grant it, not to Mr. Lansing, but to

Univ Calif - Digitized by Microsoft ®

"The Huasteca Petroleum Co., The Texas Co. of Mexico, The Southern Oil & Transportation Co., The Scottish-Mexican Oil Co., Ltd., and other signers, New York."

Enough has been said to illustrate the enormous commercial potentialities of Mexico; enough has been implied to show that our attitude of "let her slide" toward that country has bolstered up a régime of disorder and produced three presumably unexpected results. It has stifled the prosperity of the mass of Mexicans, it has undermined our moral and physical standing in the country by destroying every vestige of respect for American life and American property, and most of all by the peculiar irony that keeps the sissy at school continually in hot water it has led us steadily not toward peace but toward war.

Commercially, Mexico has scarcely been scratched. What about her finances? If you have any opinion at all on the matter you probably think they are beyond mending because she has passed interest on her national obligations to the tune of forty-eight and a half million dollars since 1914.

Univ Calif - Digitized by Microsoft ®

That is a wrong impression. The financial position of Mexico to-day is stronger than that of the vast majority of even the great nations. Her annual revenue at the close of Diaz' administration according to a publication of the Pan-American Union was under $55,000,000 which was sufficient to leave a surplus over expenditure. Carranza in his message to Congress last September estimated the revenue for 1919 at $81,000,000 and for 1920 at $83,500,000. The trouble with her revenues during her recent administration was not their size but the manner in which they were applied; sixty per cent. to a useless army, not five per cent. to construction.

Her total external debt to-day plus passed interest is $222,023,621. Add to that a total interior debt of $84,048,459, a guaranteed debt on paper issues of $41,472,690, money and interest owed on railways in the sum of $421,319,878 and you will get a total national obligation *exclusive of claims* of only $768,864,648, a mere bagatelle in the face of her resources. Why is the figure so small? Because she could not borrow and she

Univ Calif - Digitized by Microsoft ®

was not able to borrow because the Carranza régime was making ducks and drakes of her national honor and scraps of paper of all her promises to pay. Thus out of evil comes a single gleam of good.

Near the start of this chapter reference was made to Mexico's peculiar skill in blinding us from her pepper-box of fine words and in matters of trade and commercial treaties she has one bogey which never fails in its mission of scaring us away from common-sense decisions. Its name is sensitiveness, *alias* national pride.

An American statesman retiring without the honors of war from a several weeks' bout with a Mexican commission sat and ruminated for a long while; then he delivered himself of this saying which should become a classic in our annals. "You can't pin a Mexican to facts; when you try it he waves national pride in your face and uses his country's sensitiveness just the way a pole-cat protects himself."

Vulgar? Perhaps; but every one of our secretaries of state and ambassadors to Mexico should

Univ Calif - Digitized by Microsoft ®

memorize it and paste it in his hat lest he forget, because it is packed with Yankee penetration, oozes psychology and blazes the way to a new philosophy. Incidentally it calls the bluff that has so impressed our entire string of official and unofficial trade publications that you can scarcely pick one of them up without running across columns telling us that we must pat all Latins on the back, speak soft and be as friendly as a hungry cat to get their trade.

Do not believe it. Use your own head. If merchant No. 1 on account of racial likes or dislikes pays two cents cash on a bolt of muslin more than merchant No. 2 he is on the road to a vacancy in Bradstreet's and the sooner you drop him the better. Ninety-nine per cent. of the merchants I have known are Number Twos; the other one per cent. were fine old fellows but they are dead. *Pleasant salesmen, yes!* But *pleasant nationalism* on our part is despised throughout the length and breadth of Latin America. What sells goods is the price at which they are offered; what determines the price to-day more than any other factor is

Univ Calif - Digitized by Microsoft ®

transportation. Nothing but our own amazing lassitude in regard to Mexico could have robbed us of the full benefits of easy access to her markets.

This leads us straight to the exceptional command of her commerce which we held at the close of the war and wastefully threw into the discard. In May of 1917 our consular establishment in Mexico City consisted of a vice-consul, a clerk and a stenographer housed in a ramshackle building; in May of 1918 it occupied the Limantour Palace at the junction of the five great avenues of the city and its personnel comprised a consul-general, five vice-consuls and six stenographers besides clerks and messengers.

What was this large force doing? Besides other special business arising from the war it was enforcing in conjunction with the Embassy and in close cooperation with every other American consular officer in Mexico the Enemy Trading Act. That simple statement has to be enlarged to be understood. It means that under black-list rules no single shipment entered or left the country without the filing of exhaustive data concerning ship-

Univ Calif - Digitized by Microsoft ®

per, buyer and the ultimate destination of the goods.

The Enemy Trading Act was a terrific weapon. To international traders of the last year of the war it represented powers which find no parallel short of the Inquisition of the thirteenth century. No merchant was too big or too small for the mesh of its universal net, or too strong or too weak to bow to its raised finger. The record of its enforcement in Mexico alone would fill a book, but we are interested here in only two features, two outstanding results.

The first of these was the fact that the consulate general, which passed decisions in 1918 on over eighty million dollars of business, as well as many consulates, came out at the end of the war with a record for fair-dealing which netted them intimate and friendly relations with ninety per cent. of the firms trading with the United States. The second was the fact that every one of our consular establishments in Mexico had become a warehouse of commercial and statistical data unequaled for accuracy, thoroughness and scope

Univ Calif - Digitized by Microsoft ®

in the history of our trade relations and complete beyond the wildest dreams of the most rabid promoter of international commerce.

Here was a God-sent chance so to knit the commercial fabric of the two countries that any threatened rupture would have raised a universal howl of protest. What was in the way? Our lack of any policy toward Mexico. "But we have a policy," I hear you say, "a policy of watchful waiting." Now think a minute and ask yourself if that phrase has not long since become a mere habit of thought. Admit that as far as Mexico is concerned President Wilson neither watched nor waited in any objective sense; he simply let things slide.

At the crucial time of which I am writing the American official representatives in Mexico adopted the slogan, "For heaven's sake, give us a policy,—any policy." They realized that with our army still mobilized and equipped a mere hint with the punch of a real, honest-to-goodness ultimatum behind it would have resulted in a negotiation fairer to Mexico and more satisfying to us

Univ Calif - Digitized by Microsoft ®

than any treaty in the history of the two countries, —a negotiation whose importance to the peace of this country would have loomed large even against the background of the late League of Nations. Why? Because let Armenia live or die, Mexico we have always with us.

What was missing to this happy consummation? An ultimatum that meant what it said. What is an ultimatum? It is the court of last appeal built on the foundation of force, and on that foundation stands the whole fabric of international negotiation. So axiomatic is that statement that the framers of the League of Nations had to bow to it as a matter of course.

In spite of such frenzied appeals no policy was forthcoming. Instead of plunging into the great work of knitting a commercial bond with Mexico the consulate general's labors were reduced to sending out under instructions a form letter to the effect that while current business could be encouraged no aid would be given to any new investment in Mexico so long as Americans continued to be murdered and American property rights violated.

Univ Calif - Digitized by Microsoft ®

The office which had been the hub of the whole radiating fabric of an enormous international commercial movement suddenly became a tomb and its occupants so many brass monkeys. Our Ambassador left the country and has never since returned; the Consul-General resigned. Of the large trained force which filled eleven rooms of the Limantour Palace only two individuals remain to-day.

In spite of all the accounts of almost daily outrages in Mexico, murders of Americans, factional outbreaks, bandit activities and finally of revolution, certain men who undoubtedly know the country continued to assert that all was going well and that they wished no governmental interference of any kind. Were these men liars? Not at all. They simply meant that everything was going well for them. They provide us with an excellent example of the ancient game of freeze-out.

For instance: a great American concern announced that it was strongly in favor of keeping hands off Mexico, that all was well below the Rio

Univ Calif - Digitized by Microsoft ®

Grande. In the intimacy of a club-room I asked one of its officials how he could justify such a stand. "Well," he said, "it's this way. Where we come in contact with bandits we have 'fixed' them; where we touch the government *Constitucionalistas* we have 'fixed' them, too. Disorder consequently suits us; mining claims are cheap, competition scarce. We yell, 'Come on in, fellers, the water's fine,' because we know they won't come. In our business it's better to be lonely than crowded."

So with banking, so with real estate, so with what few industries are still running. If I have given the impression that fortunes cannot be made in Mexico whether she is in order or disorder I have failed to get across with proof that she is tremendously worth saving. Of course money is being made, especially at the freeze-out table, for chaos invariably carries opportunities to the lucky few. *But*, were she honestly governed, were she stable, were she redeemed from the stigma of an outlaw among nations with which a cutthroat oligarchy has besmirched her, her wealth would

Univ Calif - Digitized by Microsoft ®

soon be not only tripled but distributed to the meek and lowly as well as to the rapacious. For her, the chief blessing of internal peace would share the attribute of mercy of the showers of Heaven which fall on the just and the unjust alike.

Univ Calif - Digitized by Microsoft ®

CHAPTER III

GOVERNMENT BY BANDITRY

THERE are two groups of major questions which Americans are beginning to ask themselves consciously or subconsciously about Mexico. One is, "Are things going to continue to be as bad as they are painted by some of the experts or as lily-white as the advocates of self-determination make out? If we really have to come to a conclusion whom are we to believe? By what talisman or touchstone are we to determine what is and what isn't the truth?"

The other group is represented by the impatient man of affairs who says, "You fellows shout about our national responsibility for the wreck of Mexico. Here I've been tending strictly to my own affairs and you say that while I wasn't looking somebody has slipped a grindstone over on me and that its name is Mexico. Now, how did I get that necklace? I don't want it; I have no use for it, but you say I asked for it. Show me."

Univ Calif - Digitized by Microsoft ®

In reply to the first class of these enquiring minds I would say that the touchstone for the truth in regard to Mexico is a diamond with about a hundred facets. Every one of these facets presents a different view to the superficial crystal-gazer and it is no wonder that the general public is confused when half a dozen seers peering in at half a dozen facets shout to the world the contradictory sights they see. Why these many angles? In other words, why is the issue so confused and how is the man-in-a-hurry to seize it long enough to determine in his own mind and for himself what is really what? Will he have to tabulate a hundred different view-points taken by proxy? If so, Heaven help him!

He will never come to that cry of despair if he will read on and then draw on his private stock of common sense. The Mexican issue is confused because it is so near us, because so many people have walked into it and out like sheep into a sheep-dip and set themselves up as authorities on the strength of the smell of Mexico that sticks to them. Some of these men are honest but limited

Univ Calif - Digitized by Microsoft ®

in intelligence or the sources of their information; others, better informed, lack the peculiar breadth of view which enables a man to stand off and see a thousand incidents in a single sum; others, mainly those who have suffered disaster to person or property, become monochords that reduce the tone of all events to the knell of their own catastrophe.

The issue is further confused by that weird group of crusaders, some of them well-meaning, all of them untrained and with one exception as innocent of Spanish as of Sanskrit, who were sent by our President as special envoys and were allotted so many weeks each to unravel the intricacies of the Latin mind, predict the coming movements of the prize kaleidoscope among nations and offer a solution based upon their colossal misjudgments. Of those envoys, one was man enough to recant all the predigested panacea with which he entered Mexico and publish his retraction in a small volume of exceptional frankness; one other wrote a broad-minded but radical report which was suppressed. As for the rest, had I the space to

Univ Calif - Digitized by Microsoft ®

expose their predictions, fallacies and childish conceptions in the face of what the years have actually brought, never again would this country subscribe to the presidential dictum that the blind are the best leaders for the blind.

Somewhat allied to these blunderers but by no means so ignorant are all those persons who know Mexico but have an individual ax to grind; people who have interest and people who look forward to having interest there; concerns of all kinds which by holding the inside track and employing the right men can make big profits out of chaos in conjunction with no competition; merchants keen on immediate sales irrespective of how much greater their returns might be were the relations between that country and ours reorganized on a sound basis; last, least and most despicable because they know better, those Americans who sold themselves outright for thirty pieces of Carranza silver, and with Cabrera, Nieto, Berlanga, Baragan and Pani, a cabinet standing on banditry, puddled their hands in Mexican (and American) blood for a price.

Univ Calif - Digitized by Microsoft ®

The message I carry to the distracted enquirer seeking the truth and with no time to peek through the hundred facets of the Mexican touchstone is first, examine the qualifications of the witness at the bar; and first, second and all the time, look for the motive behind the spoken word. As a people and individually we pride ourselves on the application of common sense to our national and private problems. Why not apply it to sources of evidence?

The altruist is abroad in the land. Helped by the natural aversion to all wars, just or unjust, which possesses our people at the present time, the genuine dreamer as well as the dreamer for profit has been able to lull the national mind into a state of coma on vital principles of right and justice by the cries of, "Hands off!", "Watchful waiting!" and "Self-determination!"

These are all excellent slogans in their place, but has it ever occurred to you that the mere shouting of a slogan does not get you anywhere? Have you considered that the mere shouting of a slogan is man's favorite method of shirking re-

Univ Calif - Digitized by Microsoft ®

sponsibility and putting himself to sleep on a troublesome issue. Have we kept hands off Mexico? No; we interfered (as I will show later) in the most naive and blunderous manner. Have we been watchful or waiting since that solemn pledge went out over seven long years ago? No. We have simply let things slide. As for self-determination, where is the legitimate limit of that experiment? Isn't a century of catastrophe bringing misery to millions enough of a try-out?

Right here you are thinking, "This man is an out and out interventionist by force of arms. He wishes to lead us to trouble." If that is your thought, you are wrong. I know Mexican history. I know that we have already intervened in Mexico with colossal misjudgment and disastrous results. I wish to point the way in which we may best correct our error, pick up the pieces of a wreck and paste them together. I wish to lead my country not into the trouble it is making for itself but away and toward a lasting peace with a neighbor which is and will be forever with us though it be against us.

Univ Calif - Digitized by Microsoft ®

What right have I to set myself up as your guide? You have no time to piece together the thousand sections of the Mexican picture-puzzle for yourself, but why should my work of art speak straighter to your heart than the brightly colored maps of altruists, optimists, Mexican propagandists and American financial experts in the pay, directly or indirectly, of whatever régime is temporarily on top in Mexico?

I will again appeal to common sense. Why did Henry Prather Fletcher resign as ambassador to Mexico? I share the knowledge with many others that this resignation originated in August of last year, just three weeks after my own was accepted. Here are two men, each with a long record in their respective branches of our foreign service, who resign from sinecures,—one because he would not be associated with a commercial debacle, and the other because he refused to be dragged further along the road of diplomatic emasculation.

Why did Fletcher force his resignation to fulfilment? Because he was convinced that the

Univ Calif - Digitized by Microsoft®

policy of the Carranza government had always been one of obstinate hostility to the United States; because he believed that the Mexican people generally desired good relations with us and would welcome an opportunity to enjoy them, but that throughout Carranza's tenure of power he deliberately defeated every effort on our part to establish a better understanding and to treat Mexico as a friendly neighbor. Because he saw in Carranza a man who had a rare chance to be of service to his distracted country but who through three years, while the United States magnanimously overlooked his rebuffs and made advances time after time to come to some arrangement which would be helpful to Mexico and her people, never missed a chance to repel these advances with great parade of patriotism.

Because he knew that Carranza's uncompromising hostility to the United States, as clearly reflected in his public documents and replies to our many representations, was setting up an insidious anti-American propaganda throughout this hemisphere, formally repudiating the Monroe

Univ Calif - Digitized by Microsoft ®

Doctrine and advocating alliances with European and other countries and actual treaties with Latin America aimed at undermining our friendships and influence on this side of the world.

Because time and again as ambassador Mr. Fletcher had pointed out without avail in reports and memoranda that the attitude of the Mexican government in conjunction with our utter lack of any constructive policy was almost entirely responsible for the unsatisfactory relations between the two countries and the treatment to which Americans as well as some other foreigners were subject in Mexico with respect to their lives and property.

I know that these were the reasons behind Mr. Fletcher's withdrawal because one cannot associate intimately with a man for two years and confer with him almost daily on questions of commercial policy and routine without learning the true trend of his activities and the basic opinions that control his decisions.

So much for credentials. Whom will you believe? The paid agents who make a vapid

Univ Calif - Digitized by Microsoft ®

statement that all is well with Mexico after nine years of chaos if we will only possess our souls in patience for another decade, a century or an indefinite epoch? Will you believe the financial sentimentalist on a salary who (in the face of the fact that for three solid years our Ambassador and every minor official held open the door to any friendly arrangement) pleads almost with tears in his eyes before the Senate Committee on Mexico that we at least give friendship a trial? Or will you believe men who turned their backs on their personal interests rather than submit to being the tools of disaster under the leadership of a mind with which theirs did not run and which by reason of its isolation they were powerless to enlighten.

Carranza was at no time difficult to understand; the only obstacle to comprehension on our part was a stubborn determination to see him and his cutthroat government under a halo of altruistic phrases and never in their everyday working clothes. The great accusation against him as a leader is that his acceptance of banditry

Univ Calif - Digitized by Microsoft ®

as a pedestal to his government was deliberate and that not for a minute did he hesitate to clap the ladder of race-hatred, once he saw its potentialities, against that pedestal and climb its easy rungs to the eminence upon which he suddenly ballooned much to his own surprise into the champion of all Latin America against the Gringo.

This was Carranza in the second of his three phases,—hibernation, meteoric triumph and collapse,—a man totally different from the silent, immobile, blinking sphinx of three years ago, a weak old man then, peering patiently into a future which looked blank to everybody else but which opened finally into a broad highway hedged on one side by banditry, it is true, and on the other by race-hatred,—but an open road nevertheless. What was the power in Carranza which opened that avenue? You will laugh when you realize that it was genuine, authentic, Simon-pure potential and active Watchful Waiting. We talked about it; he did it.

What does this mean? Does it mean that by

Univ Calif - Digitized by Microsoft ®

taking thought and never missing a move Carranza had really developed into a giant in comparison with what he was? It means just that; but, fortunately for us, he was a giant whose stride was hampered by a double manacle which sooner or later was bound to trip him. What a shame, what a crime against humanity, what an opportunity lost for the salvation of his own distracted country, that the man who proved himself to have contained the seed of greatness should have taken the wrong turning at the crucial moment of his career and led his people away from peace!

Had he not turned to feeding the military with the nation's revenue he would years ago have rid himself of the incubus of banditry and been in a position to control revolt; had he not yielded to the temptation of an easy and grandiloquent popularity founded on his nursing of hatred for the Gringo, he would have had such magnanimous support from the United States as one nation has never yet received from another. He might have been a truly great patriot, radical where Diaz was conservative, and yet a builder on ennobling

Univ Calif - Digitized by Microsoft ®

foundations of lasting internal peace and international good will. As it is, what is this giant? A Bhudda idol, done in gray stone, equable from the feet up, but with those feet placed on two runaway horses, outlawry and racial conflict. While the old man succeeded in keeping his balance he was wholly admirable as a high-priced acrobat,but when he fell one surely heard the laughter of the Aztec gods.

It is fair to consider what he might have done to save himself at the start from an ultimately untenable position. He might have created a constabulary of his own, paid it well, established it as the ostensible police of the Federal District and, as his strength grew, played one quidnunc general against another until he could clap the lid on the pork-barrel against the military as a whole, disband the army and take a man's chance to hold himself erect behind the barrier of the nation's resources decently and constructively applied. In such an enterprise he would have had the active and almost illimitable cooperation of the United States. But as has been intimated in a previous

Univ Calif - Digitized by Microsoft ®

chapter, the moment for such action found him a small man, immeasurably smaller than he was at the time of his death.

Why was he responsible for the wide-spread banditry in his country? Because he chose to keep the nation's illusory war-machine and very real and hungry corps of generals intact but inactive and to do it without physical exertion. What happened? The faster he shoveled the wealth of the nation into the bottomless gullet of the military, the more the military realized that the fat days could endure only so long as the outlawry throughout the country should continue to give the military a reason for existence. We will skip intermediary steps and depict the "system" which inevitably came into being under his régime.

The president appointed a minister of war and received in recompense no cash but immunity from attack; the minister partitioned the country among eight generals of division and numberless officers of lesser rank and received as direct contributions in the form of outright graft from this

Univ Calif - Digitized by Microsoft ®

source alone a monthly income of twenty thousand dollars gold. The generals of division were almost equally fortified against a rainy day. In the first place, according to the statement of a high official of the Mexican Treasury under Carranza, not over forty per cent. of the millions handed to them ever reached the troops for which the pay was intended. But this is a mere bagatelle in the box of tricks of an experienced Mexican field-marshal. Without attempting to give a complete catalogue of his liens on sudden wealth it may be said that one favorite method was to harass a *hacienda* worth a million, ravage it to the verge of extinction, buy it in for a song on the most legal and orderly title and then settle on it such of his cohorts as like the new home. Another: a town lived by an industry, required protection and could afford to pay for it. So much a month and the contract was kept. Why? Because if the industry shut down, so much a month would become nothing. Another: a bandit leader collected like tribute from a community located in his private beat. Formula,—bring pressure

Univ Calif - Digitized by Microsoft ®

to bear on the bandit only until he yields to a fifty-fifty arrangement.

As with these master cormorants operating in deals of six digits, so with the generals of the line, the colonels, majors and *commandantes*, until one came down to the last miserable cog in the machine and found the common soldier unconsciously adding a last finishing touch to Carranza's Frankenstein creation by trading gun and cartridges to bandits, in exchange for the first necessities of life, in lieu of that pay which started toward but never reached him. A vicious circle if there ever was one. Do you see it? Do you understand why Carranza was accused of government by banditry? Lay for yourself your finger on the link that made him own brother to every marauder that devastated his unhappy country.

Obregon, the latest man on horseback, says that he will put a stop to all this. It may be in his power to cut down the weed, but without our direct aid he can never uproot it, however sincere his intention.

This question of internal banditry might pos-

Univ Calif - Digitized by Microsoft ®

sibly be none of our affair, but how about the other runaway horse, the policy of open enmity to the United States? Its inception was as opportune as the surrender without a fight to the military and bids fair to be as far-reaching in its disastrous consequences. How did it begin? Go back again to Carranza hibernating in silence, patience and immobility, watch him feeling with his civilian antennæ for the danger behind the danger and finding it in the bugaboo of the Colossus of the North. Here was the unfailing elixir which made a Samson of any puny leader who could find an excuse for a cry of treason. Why not grasp the life-giving cup of Mexican popular favor and drink it all? Why not annex to himself this source of danger and element of strength? Why not become the concrete emblem of a national and traditional hatred?

If actions speak louder than words there can be no question whatever as to the fact that Carranza formulated a definite policy of estrangement, tried it out, found that it worked beyond his wildest hopes,—produced in fact an unexpected

Univ Calif - Digitized by Microsoft ®

miracle in bringing him prowess where he had sought only safety. No wonder he followed it thenceforth with a ponderous stolidity worthy of a better cause.

What is the sequence of overt actions which began with a trifling incident and which through our policy of hands off grew to such proportions as to inflate Carranza with the idea of establishing himself in history as the rock upon which cordial relations between Latin and Anglo-Saxon America were to split?

Let us start at the arrival of Ambassador Fletcher, a diplomat by profession and as such almost a sole survivor of the change in our national administration, still wearing the laurels of a conquest of the collective heart of Chile, long estranged against the United States. He was appointed on his record to get results. He came smiling with a genuine and avowed intention of friendship. He wore that smile steadily for two years without ever meeting the slightest glimmer of response. It was a feat in facial control which has never been equaled for endurance on the stage

Univ Calif - Digitized by Microsoft ®

of international relations and forms in itself a story of personal interest.

Fletcher's first constructive move was to enter into a gentleman's agreement with General Pablo Gonzalez as spokesman whereby the United States would release some millions of rounds of ammunition long held at the border if the Mexican government through the General would agree to accept that action as a definite show of friendship and use it as a soothing syrup on public opinion. To carry out his side of the arrangement the Ambassador made a special trip to Washington and won his point with the President and the State Department only after a hard and protracted struggle. The ammunition was released. (Incidentally, this was the sole occasion during the three years of his mission to Mexico that the Ambassador was allowed an interview with the President whose personal representative he was supposed to be.)

Now watch Carranza's move because it was destined to become his classic lead. He repudiated Gonzalez as his formal or informal intermediary

Univ Calif - Digitized by Microsoft ®

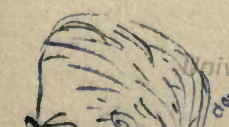
and caused it to be given out in the press that through the wise and powerful efforts of Bonillas, the Mexican Ambassador to Washington, the rounds of ammunition, property of the Mexican government, long unjustly held at the border, had been freed and were on their way to the capital.

The ultimate results of this initial move can scarcely be measured in the space allotted, but the immediate effects were what opened Carranza's eyes to the potentialities of a policy of continued estrangement from the United States. To his mild surprise and General Gonzalez' amazement, the General was promptly blotted out as a factor in Mexican affairs. Automatically he became a puppet, a nothing, so that months later when with others he waited upon the President who was about to announce certain cabinet appointments, Carranza could afford to go the long length of refusing even to receive him. That event announced to the public the birth of Carranza as a strong man. He had come out of hibernation. With no military force at his back he had yet eliminated one of the group of

Univ Calif - Digitized by Microsoft ®

enigmatically smiling generals and sounded a warning to those remaining.

A Mexican general can read the writing on the wall with his eyes shut, bandaged and covered with a gunny-sack. He knows that for him there are seldom two steps between power and a "passing by arms" which is the Spanish euphemism for being lined up before a firing squad. The potentially wilful military leaders took thought and with every subsequent slap given by Carranza to the United States they took more thought and gathered to the support of the "patriot" until to the surprise of every one, himself included, the Supreme Chief was found to have grown up in the dark to the stature of his grandiloquent title. To the string of the pork-barrel which tied the military to him originally he had added the prestige of becoming the exponent *sans pareil* of the national tradition of hatred toward the United States,—a hatred which, sifted down, would be found to be a genuine flame in the hearts only of a loud-mouthed minority which unfortunately sets the tone of the nation's printed thought.



Univ Calif - Digitized by Microsoft ®

What were the steps by which he clambered to this eminence? They are too numerous for covering except with the stride of seven-league boots. Three high-lights are enough to illumine the mass of lesser affronts such as delays in the issuance of exequaturs, refusals of every courtesy to the Embassy which could be construed as signs of amity, expulsion of Americans on thirty-six hours' notice and in the face of protests, murders of others with the most casual assurances of investigation never fulfilled, and open encouragement of German propaganda. Such trifles just failed of turning Fletcher with his undying smile and patiently extended hand of friendship into a perpetual image of patience.

But three breaks can not be passed over so lightly. They were outrages to the etiquette of common decency which is supposed to govern the intercourse of nations not at war.

One of them was the cynical and hypocritical boasting of Carranza in a message to Congress that the massacre of American troops at Carrizal was the result and the triumph of his orders to the

Univ Calif - Digitized by Microsoft ®

Mexican army to expel Pershing's punitive expedition (directed solely against Villa) from Mexican soil. This incident of brag aside from its value as an illustration of the point at issue, is characteristic of one of the longest established of Mexican tactics,—the falsifying of events to fit the uses of a national pride absurd to the point of childishness in its assumption of non-existent power.

Another arose from the sending of a succession of sterilized missions to the United States,—Nieto, Pani, Cabrera; Cabrera, Pani, Nieto. Here also is a side-light which exposes Mexican skill at passing the buck. It has been said that as a master of the toothpick of subterfuge the Mexican has no peer and his favorite stroke has been, is and will be the sending of unofficial envoys at any given pinch and their subsequent repudiation when the apex of pressure is past.

There came a day when Nieto, blinded by a sense of his own growing importance, forgot this old rule and took one tentative step on his own account. He was in Washington on one of the periodic missions which he well knew meant

Univ Calif - Digitized by Microsoft ®

nothing, showed up at the State Department and was literally swept off his perch of insincerity by the outspoken frankness and cordiality with which he was met. The informal attitude of our government was one of willingness to negotiate any and all differences from a standpoint of generosity rather than intrinsic justice. Why not have Fletcher up and get to work? What could Nieto, a man posing as an envoy, do but consent? The Ambassador was summoned post-haste and after many hours of labor he and Nieto framed "a preamble looking toward a tentative settlement" of all acute questions pending between the two countries.

It is too bad that that document cannot be printed here in full as a unique exhibit of the lengths to which we were prepared to go in our publicly declared policy of showering benefits on Mexico and as a categorical answer to the vapid pleadings of certain men that we at least experiment with an attitude of friendship toward Mexico.

What was the fate of the preamble? While it

Univ Calif - Digitized by Microsoft ®

was still in an embryonic stage Nieto awoke to the fact that in spite of his chief executive's apparent acquiescence by silence, he himself was a fake envoy like all his predecessors. He declared that negotiations had reached such a point that nothing further could be settled at Washington. As a consequence Fletcher, still smiling, climbed on the train and accompanied Nieto back to Mexico City.

Immediately upon the arrival of the travelers the terms of the preamble were published in the press. They were so frank, so reasonable, so charged with the spirit of compromise to practical ends, so imbued with the new order of open diplomacy that a surge of hope rose in the breasts of all those who knew to what dazzling heights of prosperity the country might rise under their ægis. So profound was this aspiration that its explosion on the following day produced a theatrical, almost a dramatic, anticlimax. Nieto was publicly repudiated by official announcement in every newspaper of the capital and fell from favor never to recover; the tentative agreement was

Univ Calif - Digitized by Microsoft ®

unceremoniously scrapped, torn up without consideration of any nature, consigned to the waste-paper-basket. The action was a scandalous affront to the American Ambassador, such a slap as leaves no outward mark but brands the spirit for a lifetime.

The most alarming exhibit in Carranza's policy of estrangement, however, passed over the Ambassador and struck at the President of the United States. Our propaganda committee had arranged an excursion of a score of Mexican newspaper men to Washington where President Wilson addressed them. In spite of the evidence already to hand as to the deep-seated malignity of the Mexican government, he declared once more that under no conceivable circumstance would the United States resort to arms for a settlement of any difficulty with a weaker nation. The speech, cabled in full by the enthusiastic correspondents, was published broadcast and produced a remarkable and immediate impression.

What was Carranza's countermove? He dug out our government's strong note of April 2, 1918,

Univ Calif - Digitized by Microsoft ®

protesting in no uncertain terms against the confiscation of American oil land titles and which had lain unanswered for two months in the Foreign Office. Ignoring the formality of notifying the Embassy of his intention, he ordered it published in the press without comment. Read President Wilson's speech, read the note and then take off your hat to Carranza. He won, not by a length but by a lap. At last there was not a man who could read in Mexico who must not perforce recognize the patriot, the champion not only of his own land but of every other between it and the toe of Patagonia.

Would you not think that by the same token it would have become apparent to the White House as well as to the world at large that the inevitable head-on collision between abstract altruism and a concrete fact had occurred? At the price of inconsistency we actually issued one ultimatum to Mexico, the note of April 2, 1918, that meant business and thereby saved the product of the oil fields to the Allies, but apparently this incident has failed to teach its true lesson,—namely, that

Univ Calif - Digitized by Microsoft ®

when it came to an absolute showdown Washington had to threaten force as a matter of business even while it was shouting benevolence from the housetops.

The second paragraph of this chapter was devoted to the impatient man of affairs who wants to know why and how we are responsible in large measure for the chaos in Mexico. Go back and read his questions; there is no room to repeat them, but here is the answer. There has been only one abnormal period in the history of Mexico since it attained independence almost exactly a century ago. That abnormal period coincided with the years of law and order under the Diaz régime. The revolutions which have occurred since 1910 differ only in one respect from the many that preceded 1876. They mark the intervention of the United States in the internal affairs of Mexico.

The professional pacifists and press-mongers who sling the word "interventionist" at every man who is working for a prompt settlement of our many outstanding differences with Mexico, lest neglect lead us deeper into the mire, are invited to

Univ Calif - Digitized by Microsoft ®

step back half a dozen years and see where and in what an astounding manner intervention originally occurred. Mr. Lind, a native of Sweden, naturalized an American, who knew no Spanish and nothing of Mexican affairs, was chosen as the goat on whom we loaded the naive mission of proposing to the President of Mexico, already recognized as such by several leading powers, that he step out and hold an election in which the Mexican people should freely exercise their choice of an executive, himself barred.

Had we stopped at barring Huerta from the free choice granted his fellow countrymen our indiscretion would have remained merely an amusing freak in international dealings, but in the months which followed we went further. We casually gave out certain doctrines which should have been gravely pondered. It sounded well to announce that we would not recognize in Latin America any man who arose to power through force. We announced it; apparently with no forethought of the absurdities into which such a half-baked doctrine would unfailingly lead us.

Ye Gods!

Univ Calif - Digitized by Microsoft ®

It was only a question of weeks before Mr. Bryan was faced with a proposition to accept any one of a list of prominent Mexicans who had taken part in none of the revolutionary movements on foot. What happened? Did he stick to his haphazard doctrine? I quote from the sworn evidence of Mr. W. F. Buckley before the Senate Sub-Committee on Foreign Relations. "Mr. Bryan thought over this for a long time, and then finally told me frankly that the American government would agree on nobody for provisional President but Carranza. I finally asked him, then, if the American government would be consistent in the policy it had announced with regard to Huerta and would agree that since Carranza was to be provisional President he must not be a candidate for permanent President, and that the American government would not recognize him as such. Mr. Bryan said, 'No; Carranza must be provisional President and permanent President.' This ended the conference."

Notice those words, "must be." We assisted Carranza to become by force President of Mexico.

Univ Calif - Digitized by Microsoft ®

We seated him as effectually as one picks up a little boy and planks him in a chair; only, we failed to exact from him a promise to be good. From the very start he had given strong evidence of every intention not to be good, but President Wilson persevered through thick and thin in a blind belief that by letting him do as he pleased he would ultimately be overwhelmed by magnanimity and do as pleased us. I ask you, who have been the interventionists and to what an end?

Concurrently with establishing firmly on its feet an oligarchy which for graft and oppression of the weak has never been surpassed in the history of the New World we abandoned our own flesh and blood on a scale which make the ravages of the Barbary Pirates against whom we sent our first punitive expedition a picayune affair. This abandonment is the true overshadowing crime of the long tragedy of errors of a century of contact with Mexico.

What gave rise to the new doctrine that an American alone of all the nationalities of the civilized world has no right to protection beyond

Univ Calif - Digitized by Microsoft ®

the limits of his own country? A Republican administration had advised Americans living in outlying districts in Mexico to gather in the big cities for protection until danger had blown over. This counsel may have been ill-considered but by the very terms in which it was addressed it was stamped as provisional. No sane man could or did think at the time that a Democratic administration would attempt to found upon it a denial of the fundamental principle of liberty upon which our government was founded. Nevertheless President Wilson drew from it the disastrous inspiration to order over forty thousand Americans to abandon outright homes, property and employment and return to the United States.

I will not present here the personal hardships and loss arising from that order; I shall only depict the spirit in which the proclamation was made. It stipulated that it should be published broadcast to every one assuming authority in Mexico in the most unequivocal terms that the fortunes of those Americans who could not possibly get away would be *vigilantly watched over* and that

Univ Calif - Digitized by Microsoft ®

those responsible for the sufferings and losses of Americans *would be held to a definite reckoning.* The italics are mine; the years that have passed since the vain boasting took place lie at the door of the man of broken promises.

What have those years brought forth? A sea of notes couched in like terms and never sustained, protesting against an ever-growing stream of outrages; murders of Americans, confiscation of their rights, destruction of their properties. But far greater than this material damage is the destruction of the honorable conception of American character in the mind of every Mexican, high or low. They have grown to know us for liars, and far from acknowledging our pusillanimity as forbearance, they despise us heartily as cowardly betrayers of our own flesh and blood.

Were this betrayal of any avail to Mexico itself it might offer ammunition to the international pacifist, but the contrary is the case as will be proved in the course of this book. Suffice it to say here that through a blind and ill-considered intervention we were responsible for the establishment

Univ Calif - Digitized by Microsoft ®

and continuance of government by banditry in Mexico. We might have secured guarantees before taking so drastic a plunge. Instead we sent the blind in the form of a naturalized Swede into the Latin maze and followed the blind into a mire.

There is a wide-spread reluctance in the United States to grasp the nettle of the Mexican situation, but we are going to do it sooner or later whether we like it or not, the later the harder. We need not worry to-day as to the initiation of the project so much as to how we may perform this service to ourselves, to Mexico and to humanity once and for all. We too stand at a parting of the ways no less momentous than the crossroads which saw Carranza take the wrong turning three years ago.

The case of Jenkins was not settled by the release of Jenkins any more than the cases of hundreds of murdered Americans have been settled by the exchange of a long succession of formal notes, all identical save for the variation in the names of the victims. With Obregon clamoring for a fresh deal and naively suggesting that bygones be bygones, we are at the threshold

Univ Calif - Digitized by Microsoft ®

not of an immediate decision but of such a bandying of words as will deafen statesman and citizen alike if we do not awake to the fact that the fallacies upon which Carranza founded his government by banditry have run away with Mexico. They have taken root, they have grown. No longer can they fall and wither with the destruction of any one man.

It may be said that Carranza spread an illusion of strength. Wrong. No one man can launch a whole nation on the road to perdition through illusory power alone. It is silly to assume that because a man has built for himself a pedestal out of the rotten rubble of subornation, evasion, casuistry, subterfuge and trickery that the pyramid will crash with the downfall of the individual. Carranza has passed away, destroyed by the very agencies that made him, bribery and and race-hatred, two snowballs rolling down-hill, but his handiwork will stand.

What did we get out of the years during which we practised an amazing tolerance, abandoned our own flesh and blood, surrendered rights

Univ Calif - Digitized by Microsoft ®

held dear through all our previous history and put up with insult piled on injury? Was it peace? No. It was a country in chaos; a government all altruism, idealism, attorneyism from the lips out and carrying the torch of arson, banditry and oppression in the active hand. Led disastrously along the road of enmity it grew to new proportions, for strength is strength whether its source be evil or good. Eighty per cent. of Mexico is naturally peaceful, thirteen of her fifteen millions are incapable of hating Americans save through suggestion. That suggestion was supplied through the spectacle of Carranza immune in the face of our lazy and self-defeating benevolence and that suggestion has already reached such lengths that the first thought of a peon on coming across a strayed American is to kidnap or murder him.

Mexico under Carranza developed not so much into a sick people as into a national pervert, a potential monster born out of social wedlock and nursed by our negligence into repulsive vigor. With the assistance and consent of some powerful internal element we must stem and bend its

Univ Calif - Digitized by Microsoft ®

spirit, lash it to some permanent and basic girder which will guide it willy-nilly into the path of national and international righteousness. The need for that basic girder, its nature and mode of application will be the subject of further chapters. In the meantime, forget that Mexico was once a yapping cur. Take down the old placard, "Beware of the dog;" put up the new sign, "Look out for the knife at your back."

Univ Calif - Digitized by Microsoft ®

CHAPTER IV

ROBBERY BY DECREE

IMAGINE that a student of political economy has been a recluse for ten years, hand him the Mexican constitution of 1917 and all the printed edicts of the Carranza régime, suppose that he reads them. What would be his justifiable impression? He would have to admit that the millennium had arrived and that the perfect state, the complete republic, the final consummation of the rights of man, was in full swing south of the Rio Grande. That would be a perfectly logical conclusion, yet the most casual observer of actual conditions knows that they gave the lie to any such conviction from inference.

Right here we come up against the fortress of the altruists, pacifists, dreamers, self-determinationists and internationals who find an almost inexhaustible stock of ammunition in the publicly declared principles and intentions of the Mexican Constitutionalist government. It is not their

Univ Calif - Digitized by Microsoft ®

business to square these declared principles and intentions with the astonishing contradiction of the results actually obtained. They sail contentedly on a sea of print and, the deeper that sea, the easier it is to befog the public mind in regard to genuine issues.

It is the affair, however, of every man who wishes to sum up for himself the problem of our confused relations with Mexico to get a clear mental picture of this tremendous contradiction; a state apparently organized along lines of perfection which is simultaneously the greatest existing national seat of oppression, robbery, murder, disorder and governmental chaos. How shall we go about the painting of that picture? By plunging at once to the fundamental paradox of the Latin mind which turns out laws with the ease and perfection of a machine producing sausages and then reverses itself, devours its own young, and returns to the position known as "as you were," once more completely lawless.

It is unnecessary to support that statement by specific illustration. Read any twenty of the

Univ Calif - Digitized by Microsoft ®

manifestos issued by successful and unsuccessful revolutionists in Mexico during the past century up to and including the declaration of Obregon, and you will find an extraordinary similarity in the assertion of high and progressive aims (notably with reference to the division of lands and the redemption of the peon). It will also be found that heretofore all these grandiloquent programmes have subsequently gone by the board along the self-same road of oligarchial graft and governmental peculation.

We are not especially concerned here with this endless repetition of history however illuminating it might prove to died-in-the-wool supporters of self-determination, but we are concerned in pointing out certain distinctive features imposed by the late Mexican government on an age-long procedure. It is just as well to line up these highlights in plain English. First, the constitution of 1917 which raised the hair on the heads of all conservatives and reactionaries is not really a terrifying document; justly enforced it would be found to embody much that is admirable along progres-

Univ Calif - Digitized by Microsoft ®

sive lines of national conservation. Second, the opportunities for such just enforcement were exceptional in the case of Carranza but he allowed himself to be diverted by a motive which was in direct opposition to success and which incidentally threatened incalculable damage to the United States and its Allies during the World War. Third, he adopted, not by printed declaration but by action, the principle of robbing the foreigner established in Mexico to a specific end.

To begin with, let us put our fundamental paradox on a clean plate and look at it. The hybrid Mexican is a wonderful law-maker. Let us accept that fact at face value without tracing it back to its Roman source. Just where do his admirable laws go wrong? At the very joint of enactment and execution. They are stillborn. Why? Because the dynamic germ has been eliminated from the Latin's make-up. He is a breeder of ideas no longer capable of imbuing his offspring with an active principle. Every educated Mexican knows the statement to be a fact; Obregon knows it.

Here we have the kernel of the so-called Latin

Univ Calif - Digitized by Microsoft ®

American enmity toward the United States. In the case of Mexico it is not strictly enmity; it is hurt pride arising from the recognition deep in the heart of every intelligent Mexican that he can trade and dicker with the best of us and come out top dog, but that he can establish no major industry, no constructive factor in the progress of his country requiring an infusion of dynamic energy, without borrowing that infusion from another race. He realizes that the material salvation of his country lies in foreign money controlled by foreigners and that ultimate spiritual salvation can come only with the far-off domination of new blood through immigration. Show him that this double absorption would bring happiness and prosperity to a score of millions of his compatriots and his individual pride will still rise to choke him because no man however craven can be expected to admire the setting of his own sun.

These are deep waters but we must paddle in them to appreciate wherein lay the greatness and the downfall of Porfirio Diaz. In his day he was a giant and attracted giants. His day is past and

Univ Calif - Digitized by Microsoft ®

the rise of another dictator, even if he were equally strong and level-headed, would bring only temporary alleviation to a chaotic condition. In this connection it is just as well to state that this book is in no sense reactionary. It does not advocate a return to any golden age but it does aim at an enforcement of justice by means well within our power and still in line with the progressive principles which the Carranza régime blared to the world at large and consistently betrayed at home.

Returning to Diaz, his greatness arose from the fact that he accepted frankly the need of foreign initiative for the material redemption of his country. He opened his arms wide to foreign capital and enterprise and once embarked on that policy the protection of life and property throughout the length and breadth of Mexico became a mere corollary, a matter of course. For a quarter of a century there was no country on the face of the globe where constructive forces found greater security, fairer treatment or a broader field.

The response was immediate and its scope tre-

Univ Calif - Digitized by Microsoft ®

mendous. The history of the twenty-five years during which American capital alone poured a billion dollars into Mexico is an epic too long for inclusion here, but the annals of foreign development show no cleaner page than this story of the industrial birth of a nation. I said that Diaz attracted giants. They did not know they were giants; the men who called them by their first names, slapped them on the back and borrowed money from them probably thought of them as either rough-necks or highbrows, but to those who look back now down the short vista of fifteen years their true stature is beginning to be revealed.

They have a monument in the size of the wreck which followed their passing. The patched remnants of rolling-stock which have survived eight years of persistent train-dynamiting, the vermin-infested and ragged coaches which once were palatial, the industries destroyed, the silent mills, flooded mines and looted banks which dot the length and breadth of Mexico to-day, loom above the dead level of a destroying flood of organized

Univ Calif - Digitized by Microsoft ®

graft and robbery by governmental decree and give the true measure of the heyday of Diaz and of the men who were its direct product.

What killed Diaz? An overdose of success along a single line of ambition. He was the lonely prophet of the New Pragmatism in his country. In surrendering to the crying need for foreign initiative in its constructive affairs he unconsciously grafted practical and efficient buds on the old stock of what up to his time was a completely sterile though loud-mouthed idealism. He was so taken up with putting Mexico on the map industrially and commercially that his programme along that single line not only outdistanced equally important subsidiary reforms but fairly ran away with him. In his old age he was no longer the master of his destiny; he was being driven.

The best illustration available out of many showing the phenomenal success of Diaz and also giving an example of the heavy clouds which overshadowed his downfall is to be found in the history of the Mexican banks.* What American

* For a comprehensive and up-to-date review of this subject, see

Univ Calif - Digitized by Microsoft ®

in or out of Mexico can believe to-day that the Bankers' Panic of 1907 found that country with a better banking system than our own? That exceptional position was largely due to American and other foreign investments as is demonstrated by the figures showing the advance of resources during the years of industrial activity.

In 1897 the paid capital and surplus of Mexican banks of issue was only $23,500,000 and their total resources amounted to a little over $69,500,000; by 1909 these figures had gone over $117,000,000 for capital and surplus and the resources of the various institutions of credit had passed $380,500,000. During the same period these banks had reduced unpaid capital from $6,470,000 to $509,650 and showed an increase of paid capital to $59,400,000 as against $18,025,000 and a reserve fund of $25,654,047 in 1909 as contrasted with $3,126,131 in 1897. In the ten years from 1899 to 1909 the auxiliary banks increased their paid-in capital from $3,000,000 to $23,500,000 and their

Present and Past Banking in Mexico, by W. F. McCaleb, Harper Bros., to which volume I am indebted for many facts and figures.

Univ Calif - Digitized by Microsoft ®

reserve funds from nothing to $3,444,058, their total resources being published at $64,187,516.

These figures are sufficient to give to the lay mind a graphic picture of the reflex action of a tremendous industrial boom on Mexican finance, but, as a matter of fact, they illustrate as well a period of dangerous kite-flying and stock-jobbing on the part of certain of the banks. Limantour, the greatest of the giants who gathered around Diaz and the watch-dog of the nation's resources, was the first to sound the alarm and on February tenth of 1908 wrote a letter to all the chartered banks summoning their representatives for a conference. On June nineteenth of the same year the national congress supported him by enacting *in toto* his bill for the reform of the banking system. It is a matter of great regret that the revolution should have intervened before this movement could be got fairly under way.

Summing up the situation at the close of the Diaz régime as it affects American interests we find two outstanding features: (1) a billion American dollars had been drawn into Mexico

Univ Calif - Digitized by Microsoft ®

and were represented by the soundest of assets such as railways, producing mines, smelters, foundries, mills, factories, various industries, plantations, ranches and city real estate; (2) the financial system showed distinct inflation and while some of the banks were intrinsically sound, others were so extended as to justify the appointment of receiverships. We were directly responsible for the first of these conditions and may be proud of the record; with the second, we had nothing to do beyond the isolated outright failure of a private American banking concern.

Between the downfall of Diaz and the final advent of Carranza there occurred only two administrations which influenced the course of Mexican finance. We may eliminate the usurpations of the machinery of government by Villa, Zapata, and Obregon during his first occupation of Mexico City, but we cannot pass over the terms of Madero and Huerta without leaving a blank which must be filled to give an idea of the conditions which confronted and still confront the Constitutionalist government. Madero's ad-

Univ Calif - Digitized by Microsoft ®

ministration found an actual cash balance in the national treasury of $32,000,000, converted it into a deficit and obtained authorization from Congress to float a loan of £20,000,000. Huerta inherited the deficit and the authorization and promptly took advantage of the latter to place six million of the twenty-million-pound loan with Paris bankers who held an option for the remainder which they subsequently refused to take up.* As a consequence Huerta placed certain amounts in New York and then forced various bond issues on the local banks until they had absorbed $31,827,-879 against which they issued notes for a like amount.

According to law they should have held a fifty per cent. metallic reserve against this emission,but in the terms of a special edict by Huerta under date of January 7, 1914, the Department of Finance could authorize banks to increase their circulation up to three times their holdings. Even this concession was of no avail during a panic when

* The most reliable figures give the actual distribution of this twenty-million-pound loan as follows: French group, 45.125%; German group, 19%; English group, 19%; American group, 11.875%; Banco Nacional de Mexico, 5%.

Univ Calif - Digitized by Microsoft ®

specie had all but disappeared from circulation and it was already impossible for the banks to adjust themselves. They were in a bad way and knew it.

It is necessary to point out just here where all this talk of banks and banking touches American interests or the career of Carranza with reference to the United States. As regards the first of these points, the Huerta bonds are the one national obligation which the Mexican government has declared it will never pay; consequently it is of profit to the investing public to know just how the loan came to be issued and on what authority. As to the second, note that the banks *were forced* by the Huerta government to exceed their issues. This point is of vital connection with Carranza's policy of robbery by decree as will be shown in the course of this chapter.

Carranza, as has been previously stated, came finally into power through the arbitrary support of the United States, but his ultimate advent was hailed by no pæan of joy on the part of the institutions of credit of his country. Why? Because as early as December of 1913 his attitude toward

Univ Calif - Digitized by Microsoft ®

them had been set forth in a circular making onerous demands on the banks situated in the territory which he had overrun. By February of 1914 his Constitutionalist government had issued Circular No. 8 taking over the Nogales branch of the Banco Nacional and that of the Banco de Sonora, the parent Banco de Sonora and the branches of the Banco Nacional in Hermosilla, the Banco Minero and the agency of the Banco Occidental, all of whose debtors were ordered to suspend payment until the institutions could be liquidated.

I will admit at once that Carranza's position as regards finance when he came definitely into power was of a trying nature, but it was not desperate for one sole reason,—in the long run he could have had the support of the United States. He floated into the capital on a sea of fiat money, one issue after another of which depreciated at such a precipitous rate that panic became the normal atmosphere for government as well as for the business public. Not all of this "say-so" money was of Constitutionalist origin. It has been estimated that as many as two hundred separate and distinct

Univ Calif - Digitized by Microsoft ®

issues were scattered broadcast by one authority and another over the length and breadth of the country, but we are not directly interested here in the absorbing chapter of frenzied paper finance in Mexico. What we need to know is the condition of the banks at Carranza's assumption of power and what he did to them.

W. F. McCaleb in his authoritative book sums up the dark side of the picture as follows: "While we are casting up balances at the end of 1915, we may not overlook the Caja de Prestamos, which came into existence in 1908. . . . Here as perhaps nowhere else, the criticism holds true that the banks were operated in Mexico largely in the interest of the parties in control. It is a pathetic commentary on the high purposes of President Diaz to show that the Caja de Prestamos, which was expected to relieve multitudes of farmers, restricted its loan operations to a few conspicuous haciendados and real-estate speculators of the Republic."

Now take the reverse picture from the same authority. "It doubtless is true that some of the

Univ Calif - Digitized by Microsoft ®

banks were badly managed. It is, furthermore, certain that some of them had made loans which would have worked out losses even in normal times; but that all the banks were in this category is, of course, an absurdity. And the very fact that the government made no effort to distinguish between good and bad institutions is a blunder from which there can be no escape. According to its own statement, as published officially, three banking establishments were solvent and three had suffered only impairments of capital. Why, then, should these institutions have been closed?"

This quotation carries us ahead of our story. When and how did Carranza wipe out the banking system of Mexico? The Huerta emissions, nine in number and totaling £17,320,029, (out of which sum the banks in Mexico had been bled to the tune of £11,197,708), had dealt a terrific shock. The blow fell on a banking system that was already assailed by the hardest of general conditions; it laid that system low but could not kill it. For this purpose a bludgeon was required and it was formed out of the following Carranza decrees.

Univ Calif - Digitized by Microsoft ®

(1) Decree of September 16, 1916, by which the concessions of the Banks of Issue were cancelled and a term of sixty days was granted them for raising their metallic reserve to an amount equal to that of their circulating bills. A Board of Confiscation (Consejo de Incautacion) was appointed for each and every one of the banks and, finally, it was ordered that no operations should be made without the authorization of the Department of Finance. It was naturally impossible for the banks to increase their reserves under the terms above mentioned for, besides sixty days being a preposterously short term for such an operation, the paper currency circulating at the time had completely withdrawn from the market the metallic currency and even the bank bills. The government itself could not furnish the necessary specie but even assuming the possibility of obtaining the metallic medium, the terms of the decree, forbidding every operation without government authorization, made an ironical farce of the exorbitant demand.

Univ Calif - Digitized by Microsoft ®

(2) The Decree of December 14, 1916, based on the regulations of Number 1, (which could by no stretch of possibilities be complied with) determined the liquidation of the banks.

(3) The Decree of April 6, 1917, stipulated that the Banks of Issue be liquidated by the Department of Finance and that should it be found in the course of such liquidation that any bank was unable to balance its liabilities against assets, the liquidation should be carried out under the laws governing bankruptcies! It is beside the mark to point out that the value of much of the collateral which might have enabled certain banks to make a fair showing under this decree had been deliberately wiped out by the action of the government.

The Machiavellian wording of these decrees, taken as a whole, is a masterpiece of obfuscation intended to confuse the simple mind intent only on discovering where lies justice and bewildered by any argument, however logical, which results in a conclusion that "mine is thine." How will the reader grasp the magnitude of Carranza's clubbing

Univ Calif - Digitized by Microsoft ®

operation better than by thinking of his own local bank, its capital, resources and treatment by the authorities, and then turn to the tragic fate of the Banco de Londres y Mexico.

I choose this bank as an example because it was in no sense a Mexican concern except in that it operated under a Mexican charter. The group of its stockholders was made up of the best French and Spanish elements in Mexico, France and Spain, its manager was a Britisher, it was a model of modern banking principles and owned its own splendid plant. Now notice the figures. It was the second largest Bank of Issue in Mexico with a fully paid up capital of $10,750,000, a reserve of $2,992,500 and bills in circulation to the amount of $18,721,141. Its published statement of July, 1916, showed cash on hand amounting to $10,406,-065, of which over $5,000,000 was held in gold and silver specie and $4,250,000 in actual gold and silver bullion.

Why should Carranza have swept such an institution along with others of good record into the discard? Was it because of the sins of their

Univ Calif - Digitized by Microsoft ®

colleagues or because he wished to establish some ideal system of finance still undreamed or because he needed to clear the boards for a single central and national bank of emission? You can find wordy support for any one of these answers but the admission of Carranza's Chief of the Department of Banking to the effect that the Carranza government looted $24,906,108 in actual cash from the vaults of the unhappy banks describes an action which cries aloud for justice above the din of high-sounding official explanations. "He needed the money," is the true answer.

As though it were bent on exhibiting itself before the world of finance in a ridiculous light, the Constitutionalist government prepared an act under date of December 13, 1918, setting forth in great detail the rules for the establishment of (1) a single national bank of emission, (2) mortgage banks, (3) auxiliary banks, (4) agricultural banks, (5) petroleum banks, (6) banks of deposit. This act was a gem but it was nevertheless withdrawn, ostensibly because it was realized that the country was by no means ready to swallow another dose of

Univ Calif - Digitized by Microsoft ®

fiat money. The ludicrous reality was a bird of quite another feather. The clauses stipulating that all capital stock was to be fully paid up in advance and that every bank was to hold fifty per cent. of its deposits in cash proved too much for the sobriety of a public before the spectacle of a frankly thieving government still thickly bespattered with stolen jam.

What is the sum total of the situation to-day? Mexican finance is still limping along under the moratoriums established in the far-gone days of Huerta; Mexican credit has been steadily discredited; Mexican domestic and foreign obligations are still at a standstill in deferment; Mexico is completely stripped of a national banking system of any kind whatever.

"If these things are true," you ask, "how account for the great volume of business we are doing with Mexico?"

The answer to that is that foreign business in the sense of trade does not require a whole banking system but only that least productive of banking attributes which is devoted to the manipulations

Univ Calif - Digitized by Microsoft ®

of exchange. The private institutions which are carrying on this branch and this branch alone of financial activity in Mexico are called banks only by courtesy. They are making money and are enabling others to make money only as agencies of exchange, pure and simple. They back no enterprise, carry no loans, insure no construction, open no credits, and even refuse deposits except under specific restrictions as to responsibility. Living under a sword of Damocles the credit institutions of Mexico have decided to do without a neck.

Having witnessed the gutting of the nation's institutions of credit by governmental decree let us turn to the Mexican constitution of May, 1917, fathered by Carranza, and examine it not only for the effect it is bearing on our relations with Mexico but also with a view to tracing the progress of Carranza as an individual along the path of deliberate enmity toward the United States. As was stated at the commencement of this chapter, the latest Mexican magna charta, if justly enforced, would be found to contain much that is admirable along progressive lines of national conservation.

Univ Calif - Digitized by Microsoft ®

The reader is invited to hold in mind that qualifying clause, "*if justly enforced.*" Of the one hundred and thirty-six articles which make up the new constitution only four need be discussed.

Article 33 contains the following clause: "The Executive shall have the exclusive right to expel from the Republic forthwith, and without judicial process, any foreigner whose presence he may deem inexpedient." Read that over and see if you can devise any wording which would make the autocratic power granted more absolute. Its victims have no recourse whatever beyond the sense of justice of whoever happens to be President of Mexico. Of what avail has this dependence upon fair play been to Americans during Carranza's tenure of office?

I know of three cases of Americans expelled from Mexico under this clause since May of 1917. The first was a merchant and land-owner who had been established in Mexico for thirty years and was deported through the influence of his Mexican rivals in business on the pretext that he had conformed with the Enemy Trading Act of the United

Univ Calif - Digitized by Microsoft ®

States to the detriment of certain firms under its ban. The second was that of a correspondent of the Associated Press who was arrested in Mexico City and shipped on the long journey to the border with no preparation whatever and in circumstances which made of his deportation an outrage unnecessarily brutal and indecent. His offense was the filing with the censor of a message covering a point of fact which happened to show the ruling power in an unfavorable light. The third was that of a mild chemist, startled out of a humdrum existence with his Mexican wife and a child, neither of whom spoke a word of English, by the accusation of having supplied a bomb to bandits. The fact that the true culprit surrendered himself to the authorities did not save the chemist; the edict for his expulsion had been issued.

Every one of these three cases brought forth the vehement protest and appeal of the American Embassy not only without avail but with a cynical denial of fair play which seemed to joy in the opportunity to snub our representative and give him a triple bath in well-worn and unctuous

Univ Calif - Digitized by Microsoft ®

phrases already grown soapy to the touch through long usage. Every one of the three cases represented a gross miscarriage of justice, robbery of personal liberty by decree, and, taken in the light of other Carranzista interpretations of the new laws, they give weight to the contention that the extraordinarily drastic phrasing of Article 33 was part and parcel of a project to make life miserable for Americans in Mexico.

Article 72 of the Mexican constitution of 1857 provided that, "The Congress shall have power to promulgate mining and commercial codes which shall be binding throughout the Republic." Under this authorization the Mexican mining law of November 22, 1884, stipulated that "*petroleum* and gaseous springs, are the exclusive property of the owner of the land, who may therefore develop and enjoy them, without the formality of entry or specia adjudication." The mining law of November 25, 1909, under the same constitution stipulated as follows: "Art. 2. The following substances are the exclusive property of the owner of the soil: I.—Ore bodies or deposits of mineral

Univ Calif - Digitized by Microsoft ®

fuels, of whatever form or variety. II.—Ore bodies or deposits of bituminous substances."

Now read the following excerpt from the constitution of May, 1917, Article 27, which is too long for more than the most cursory examination here. "In the Nation is vested direct ownership of all minerals or substances which in veins, layers, masses, or beds constitute deposits whose nature is different from the components of the land, such as . . . . . solid mineral fuels; petroleum and all hydro-carbons—solid, liquid or gaseous." To complete the vicious circle, add to the above the following clause from Article 14 of the constitution of May, 1917. "*No law shall be given retroactive effect to the prejudice of any person whatsoever.*"

Consider that in reliance upon the mining laws duly executed under the constitution of 1857, American companies purchased and leased petroleum tracts in Mexico and in good faith sank $200,000,000 in this enterprise alone; consider that no American companies are developing oil in Mexico except on privately-owned property and

Univ Calif - Digitized by Microsoft ®

that no American company enjoys rights to drill in any land acquired by gift or concession from any Mexican government, read again the word-for-word quotations from Mexican national documents given above and square, if you can, justice against the edicts of Carranza, the individual, ordering the confiscation of all American-owned oil tracts in Mexico,—robbery by decree on a royal scale.

Common sense tells you that his pretension was absurd. It would be to-day but was it absurd at the time he conceived it? Look back with me and think. The German drive which occurred in the early spring of 1918 was persistently rumored in Mexico months before it took place. American secret service agents on the track of other matters reported time and again that Carranza considered himself to be in possession of convincing assurance that the balance of the war would be turned definitely for the Germans by May of 1918. We know now how nearly good were the reasons for that assurance, and, knowing that, does it mean anything to you that Carranza issued his famous

Univ Calif - Digitized by Microsoft ®

confiscatory decree in February of 1918 and in the same month sent a large contigent of troops under General Lopes de Lara to the oil fields?

To the members of the highest naval and shipping circles who know how vital was the continued supply of Mexican fuel oil to the success of the United States and its associates in the World War, these facts had and have a deep significance. Against apparently overwhelming economic arguments for at least a neutrality benevolent toward the cause of the Allies, Carranza had stuck consistently to the strictest application of a published "paper neutrality" toward all belligerents but, wherever it was possible to do so without incurring actual danger, had shown favor to the German cause. His essays in favoritism grew bolder as what, he was convinced, was to be the day of German victory approached and culminated in the expulsion of the editor of *El Universal*, the leading Mexican daily and a whole-hearted supporter of the allied cause.

Why did shipping experts worry about Carranza's confiscatory decree of February 19, 1918,

Univ Calif - Digitized by Microsoft ®

in connection with his frequent propounding of the tenets and duties of neutrality? Because they had reason to believe that as soon as circumstances on the western front justified the risk he intended to seize the oil fields for the nation and then declare that being the property of the nation and the nation in turn being neutral, no oil could thenceforth be supplied to any belligerent to the detriment of another.

It was this realization which rang the alarm in the halls of the Department of State at Washington and forced it under date of April 2, 1918, to address such words as the following to the Mexican government. "The United States cannot acquiesce in any procedure ostensibly or nominally in the form of taxation or the exercise of eminent domain, but really resulting in the confiscation of private property and arbitrary deprivation of vested rights. . . . . In the absence of the establishment of any procedure looking to the prevention of spoliation of American citizens. . . . . it becomes the function of the Government of the United States most earnestly and

Univ Calif - Digitized by Microsoft ®

respectfully to call the attention of the Mexican Government to the necessity which may arise to impel it to protect the property of its citizens."

Fine words and vain promise! Add one to the family of executive lies which have been fathered during the long years that have passed since President Wilson published broadcast to all assuming authority in Mexico that the fortunes of Americans would be vigilantly watched over and that those responsible for their sufferings and losses would be held to a definite reckoning!

The effect of our surprisingly strong note of April 2, 1918, was two-fold. To begin with it stalemated, as it was intended to do, any attempt by Carranza to stop for the benefit of Germany all export of oil. You would think that that result would carry with it an abandonment by the Mexican government of its confiscatory policy. It might have, had it not been for ourselves. To his own astonishment Carranza was to learn in the months that followed that we had only resumed in this note our lately acquired practise of talking loud about justice and subsequently sub-

Univ Calif - Digitized by Microsoft ®

mitting to every form of national indignity and individual outrage. The palliatives which have been secured to the drastic decrees of Carranza affecting oil holdings have been acquired not by our government but by private effort and group rebellion.

Article 27 of the new constitution has given rise to another important branch of the enterprise of robbery by decree. One of its clauses directs the Congress and State legislatures to enact laws for the purpose of carrying out the division of large landed estates and stipulates that the owners shall be bound to receive bonds of a special issue to guarantee the payment of the property expropriated. On the face of it that sounds reasonable and in accord with the most advanced views on national conservation; but think a minute. You have a tract of land for which you paid actual cash under the best possible title secured by the laws of the country at the time of purchase. It is proposed to divide that land among the penniless members of the nearest community, in itself an admirable project. But what do you get in ex-

Univ Calif - Digitized by Microsoft ®

change? A basket of waste-paper backed by Federal and State governments which are already flagrantly in default to creditors in almost every civilized country on the face of the globe.

Some of these agrarian laws are already being used as a lever to pry loose the unwilling dollar of land-owners and several American investors have been heavy sufferers, but suffice it to point out here that the application of the regulations governing the subdivision of lands furnishes an excellent example of how the altruistic laws of the Mexican actually work out in practise. In many cases a local board is entrusted with their enforcement. I have yet to hear of such a board in Mexico which is not amenable to bribery. As a consequence the proprietor who is on the job is subjected merely to buying himself clear of the law. What would be blackmail in any other country, in Mexico, to the great misfortune of its masses, is daily bread to the party in power.

Summing up this rapid review of the confiscatory aspect of Carranza's Constitutionalist government, what have we for our pains? The knowl-

Univ Calif - Digitized by Microsoft ®

edge that we need not blush for the manner in which we contributed over a billion dollars to the industrial birth of Mexico; the conviction that bad faith, ill-will and malicious intent were at the bottom of Carranza's open abandonment of the road to peace with the United States, and the well-founded assumption that there has been a concerted action on the part of the authorities of the Constitutionalist party, still in power in Mexico though now headed by Obregon, to drive American enterprise from its territories even if in so doing they cut the nose to spite the face of their own distracted country.

Univ Calif - Digitized by Microsoft ®

CHAPTER V

WHY ARMENIA

IT IS less than eighteen months since our former Ambassador to Turkey, lately nominated to the post at Mexico City, made the statement that "the best thing that could happen to Turkey would be to be under military occupation of some Allied country for ten years; if this is not done we will see existing there such conditions as now prevail in Mexico." Mr. Morgenthau went on to suggest that Turkey be placed temporarily under a protectorate of the Allies *or of America.*

It is only a matter of weeks since Europe and many Americans were discussing the pros and cons of mandataries for the United States in Armenia, Africa and equidistant points. Have you forgotten how to laugh? If not, doesn't it amuse you to be told that if we do not take definite action on the other side of the world, conditions there will become as messy as those on our own doorstep during seven years?

Univ Calif - Digitized by Microsoft ®

The American public mind is long-suffering, easily led by constituted authority but not easily rushed into demanding action from such authority. When our troops were about to land in Vera Cruz in 1914 the President appealed to Congress in the following terms: "I therefore come to ask your approval that I should use the armed forces of the United States in such ways, and to such an extent, as may be necessary to obtain from General Huerta and his adherents the fullest recognition of the rights and dignity of the United States." The Congress replied within forty-eight hours, "The President is justified in the employment of the armed forces of the United States to enforce his demand for unequivocal amends for certain affronts and indignities committed against the United States."

Was there any full-throated protest from the American people against this leadership and its possible consequences? On the contrary. There was a wide-spread feeling of satisfaction that at last a spring-cleaning, too long delayed, had been

Univ Calif - Digitized by Microsoft ®

got under way, and everybody settled down comfortably to undergo the stirring up of a little dust in order to clear a large accumulation of rubbish and attain the lasting peace of a house in order.

What happened? The President had gained the impression from one of his personal emissaries who by race and training was as far removed from the inner workings of the Latin as is the North from the South pole, that once our forces landed in Vera Cruz and lifted the standard against Huerta, hordes of Mexicans would flock to its support. It would be a *peaceful occupation.* It is difficult to conceive of any man, however intent on ignoring natural laws, persuading himself that if you kick your foot into an ant-hill even with the best of intentions the ants will get behind and push. Nevertheless, the fact stands.

Nobody who really knows Mexico will deny that there is a large conservative element in that country which prays diligently for the application in one way or another of the strong hand of the United States toward the permanent settlement of its internal affairs, but the very intelligence

Univ Calif - Digitized by Microsoft ®

which influences this considerable body of men leads them to keep their prayers dark. Even under the most favorable auspices they would not dare acknowledge in public the conviction which holds sway in their innermost hearts. Out of self-respect, self-conceit and self-preservation as individuals, if for no other reason, they are bound to resist openly what they secretly desire.

This truth, widely known to all but our Chief Executive in 1914, led the administration into a bog. Much to its own consternation it found itself in the face of an alternative which, put concisely, read as follows: make war or crawl. It had had no intention of making war. It was not prepared to make war. It had been merely engaged in the game of playing one mental attitude against another and as soon as real blood began to flow, it halted in dismay. In the face of the full authorization of Congress, the tacit, matter-of-course approval of the vast majority of the American people, and the demands of the press that Funston's troops be ordered to advance on Mexico City, the administration seized on the

Univ Calif - Digitized by Microsoft ®

pretext of an international conference,—and crawled.

Some of the slime of that bog still clings to us as a nation. If it were only that we did not get unequivocal or any other amends for "certain affronts and indignities committed against the United States," we could pass the incident up and try to forget it along with the ill-fated Pershing expedition. But in the light of subsequent events we cannot afford to do that. Why? Because we are only now beginning to realize that the vacillations of 1914 were disastrous far beyond their apparent range.

These vacillations laid bare the hypocrisy which says one thing on theory and reverses itself in the face of hard facts; they inaugurated the so-called policy of "hands off," whatever the provocation; they persuaded the ignorant Mexican that we were really as weak as his leaders asserted and convinced the leaders that they could go the limit; they disappointed the American people who fell into apathy at the loss of a chance to start the Mexican machine on a straight track and, worst of

Univ Calif - Digitized by Microsoft ®

all at the present juncture of world affairs, they planted the seed of ridicule among the too-hopeful provisions of the project for a league of nations.

With Mexico surrendered absolutely into our sphere of influence by Great Britain and France, the two countries most involved next to the United States, we were gravely called upon to consider mandataries in Turkey and Africa when, *after seven years*, we had been unable to stay either by negotiation or the employment of pressure or the application of the golden rule, the outright and avowed Bolshevism inaugurated under our very noses.

What thoughtful American brought face to face with the reign across our border of a corrupt oligarchy carrying in its wake lasting benefit to none and misery to millions, spurning friendship, disavowing every international usage, living by blackmail, sustaining and sustained by banditry, countenancing murder as a means to undermining the prestige of the foreigner and daily denying its own guarantees to life and property, can restrain himself from lining facts against fancy, illusory

Univ Calif - Digitized by Microsoft ®

hopes for distant mandataries against the reality next door, and confessing that somebody has been asleep in the conning tower of the ship of state.

At the time of its occurrence the occupation of Vera Cruz appeared to be a necessity; looking back at it from a vantage point of only six years we know that the score of Americans and the hundreds of Mexicans who gave up their lives on that occasion died futilely, a sacrifice to the ignorance of a national leader who had his head buried not in sand but in the clouds. In this case high aims brought us no compensation whatever; no single benefit arising from evacuation of the port has come to light as a counterbalance to the long line of wreckage which marks the track of the supine policy which the event inaugurated.

In opposition to Mr. Morgenthau's implied opinion of conditions in Mexico we continued to find in the press periodical statements of certain individuals interested in that country to the effect that Mexico under Carranza was not in a state of anarchy, that his government was engaged in a battle for genuine reform, that

Univ Calif - Digitized by Microsoft ®

public carrier agencies were operating satisfactorily, that reports as to insecurity of life and property were exaggerated and that, generally speaking, conditions were as good as could be expected. In a previous chapter the workings of the "freeze-out" table were fully described.

Just as it was possible to find a man calling himself an American venal enough to pay bail for Jenkins against Jenkins' will and thus cut the ground from under the State Department and afford a loop-hole through which our administration could slip and once more betray one of its citizens (and in this case its official representative) to such a shamefully unjust hounding as few men have ever suffered, so it is possible to find others who are willing to step deliberately under the wing of any oligarchy in control of Mexico for personal profit even though that wing happens to be employed in smothering the long-established interests of their fellow countrymen.

You say this may apply to business men but would not reach that distinct division of missionaries who were the most persistent defenders of

Univ Calif - Digitized by Microsoft ®

the Carranza régime unless it can be shown that they are the recipients of subsidies. There are still more ways of killing a cat than by choking it with milk. Would it give you a new slant to learn that no foreign clergyman of any category whatever has a legal right to exercise his profession in Mexico? I quote from Article 130 of the constitution of May, 1917. "The law recognises no juridicial personality in the religious institutions known as churches. Ministers of religious creeds shall be considered as persons exercising a profession. . . . . *Only a Mexican by birth may be a minister of any religious creed in Mexico.*"

Add to that the following from the same Article. "No minister of any religious creed may inherit, either on his own behalf or by means of a trustee or otherwise, any real property occupied by any association of religious propaganda or religious or charitable purposes. Ministers of religious creeds are incapable legally of inheriting by will from ministers of the same religious creed or from any private individual to whom they are not related by blood within the fourth degree."

Univ Calif - Digitized by Microsoft ®

Now read paragraph II of Article 27. "The religious institutions known as churches, irrespective of creed shall in no case have legal capacity to acquire, hold or administer real property or loans made on such real property; all such real property or loans as may be at present held by the said religious institutions, either on their own behalf or through third parties, shall vest in the Nation, and any one shall have the right to denounce property so held. Presumptive proof shall be sufficient to declare the denunciation well-founded. Places of public worship are the property of the Nation, as represented by the Federal Government, which shall determine which of them may continue to be devoted to their present purposes. Episcopal residences, rectories, seminaries, orphan asylums or collegiate establishments of religious institutions, convents or any other buildings built or designed for the administration, propaganda, or teaching of the tenets of any religious creed shall forthwith vest, as of full right, directly in the Nation, to be used exclusively for the public services of the Federation or of the

Univ Calif - Digitized by Microsoft®

States, within their respective jurisdictions. All places of public worship which shall later be erected shall be the property of the Nation."

What do you gather from these three quotations? First, that an American is prescribed by constitutional law from exercising any religious function whatever in Mexico; second, that he can neither hold nor inherit church property, third, that there is no such thing as church property. In the face of all this fundamental legislation there are still American missionaries in Mexico, in possession of all the church property they had when Carranza came into power. The only difference is that through no fault of their own, they lived for years in the hollow of Carranza's hand and by his individual grace instead of in God's keeping. Most of them were honest, bewildered and silent; the ones who talked, naturally had to talk for Carranza and talk loud.

Those who took advantage of the fact that the American public cannot easily check up on optimistic assertions regarding Mexico and defended Carranza to the day of his downfall (and no longer)

Univ Calif - Digitized by Microsoft ®

were given the lie by the Mexican press itself. During the six months ending with January of this year Mexico City papers reported twenty-seven major train outrages distributed over the states of Chiapas, Chihuahua, Coahuila, Colima, Durango, Jalisco, Mexico, Michoacan, Nuevo Leon, Puebla, San Luis Potosi, Sinaloa, Vera Cruz and Yucatan. These widely separated states are just half the number which make up the Mexican Federation and represent over half its total territory.

Rebel activities during the same period of time showed raids, outrages and engagements with Federal forces as follows: 4 in the State of Aguascalientes; 13 in Chihuahua; 4 in Chiapas; 8 in Coahuila; 8 in Colima; 14 in Durango; 5 in the Federal District; 2 in Guerrero; 3 in Hidalgo; 17 in Jalisco; 20 in Michoacan; 2 in Tabasco; 7 in Tamaulipas; 33 in Vera Cruz; 4 in Zacatecas; 2 in Nuevo Leon; 4 in Oaxaca; 23 in Puebla; 3 in San Luis Potosi and 7 in Sonora;—183 disturbances in 19 states and the Federal District out of a possible total of 29 self-governing divisions of the so-called Republic.

Univ Calif - Digitized by Microsoft ®

These lists are by no means complete; they are compiled from published accounts in the Mexican daily papers whose sources of information were not only limited but subject in frequent cases to suppression, as is evidenced by the summary expulsion from Mexico of two American newspaper correspondents for filing despatches covering matters of fact.

Defenders of the Carranza régime were fond of pointing out such passages as the following from the new constitution. "Article 31. It shall be the duty of every Mexican to compel the attendance at private or public schools of their children or wards, when under 15 years of age, in order that they may receive primary instruction and military training." Also Article 73, paragraph XXVII: "The Congress shall have power to establish professional schools of scientific research and fine arts, vocational, agricultural and trade schools, museums, libraries, observatories and other institutes of higher learning."

Bombast. Read the other side of the picture,

Univ Calif - Digitized by Microsoft ®

the side presented daily to public view and so self-evident that not a single voice was raised in protest when on February second General Alvaro Obregon, who four months later was to be the self-appointed Nemesis of Carranza, stated in a speech before a large audience in Mexico City, "The penal colony is not large enough to hold the poor men for stealing bread while bandits drive through the streets in luxurious automobiles, fruits of their systematic robberies, the witnesses having been assassinated in the cells of the penitentiary. There will be no justice in Mexico while the school teachers have to live on charity while mistresses pass them flaunting jewels."

Does this mean that General Obregon will prove a savior for his country? Hardly. The General's assertions brought forth no denial of the facts but got the following reply from Don Jenaro Moreno in an interview given to one of the principal papers of Mexico City. "Practically since 1916 the administration of justice has been in the hands of the partisans of Obregon. . . . . The

Univ Calif - Digitized by Microsoft ®

consuming sore upon which Obregon has placed his finger originated in his own camp and each day goes from bad to worse."

As early as February of this year the non-partisan *Excelsior* of Mexico City published a unique editorial of prophecy entitled, "Into the Dark." It said, in part, "To judge by appearances there is not the remotest hope that the coming elections will result in a triumph of democracy. Out of the silence which guards the future there does not come even assurance that the public peace will be safe. And this is because the purposes of the original revolution have not only failed but the revolution has been smashed into a thousand bits. . . . . Revolutions which do not substitute a better condition for the one they overthrow, result in division and disaster. . . . . What do we face at this moment? A campaign of hatred unlimited, an implacable war of extermination. . . . . It is no longer possible for one to deceive himself. From the sparks of this fire will be lighted the flames of the future civil war. . . . . Zero, and how much do you carry forward!

Univ Calif - Digitized by Microsoft ®

"It was as a means of diminishing these irritations which are precursors of another upheaval that the plan was adopted to launch the candidacy of Bonillas. But the candidacy of Bonillas strikes us as a joke. It seems to us not so much like Nero playing while Rome burns as like Harlequin singing to the moon on a stormy night. Nice Mr. Bonillas! Estimable Mr. Bonillas! Why do you sally from your house in the midst of this cloudburst without an umbrella?

"No. Here we have no solution. . . . . Thus we proceed. Thus we go blindly into the darkness without purpose, without destination, without a known road through an unknown country with an abyss on either side, in the midst of a tempest in which the very name of the Fatherland seems to have effaced itself from the conscience of the Mexicans."

It is a curious thing that Americans in general are better informed on the racial intricacies attending reforms in Turkey than they are on the conflicting elements across our own border. There is, of course, a natural explanation of this fact. Under

Univ Calif - Digitized by Microsoft ®

date of February 12, 1920, Mr. Gerard in his capacity as Chairman of the American Committee for the Independence of Armenia sent to Arthur J. Balfour of the British government a cable in which the following statements appear: "Americans have already given $30,000,000, and are now being asked another $30,000,000 for Armenian relief. There exists here preponderant opinion favoring America's aiding Armenia during her formative period."

Americans are not in the habit of giving away $30,000,000 to a specific cause and planning to double the amount without first getting a pretty definite idea as to the need and the uses to which the money is to be put. This feature alone of charity on a large scale puts an obligation of investigation not only on the many contributors but more especially on those prominent persons who accept leadership in the movement and in the application of funds. In other words, if at any time there had been a nation-wide campaign for contributions in money for the relief of misery in Mexico we would have gained a general concep-

Univ Calif - Digitized by Microsoft ®

tion of conditions in that country at least equal to our public knowledge of Armenia and its needs.

Philanthropists and all lesser charitable persons have a right to ask, "If there is or has been misery in Mexico comparable to that in Armenia, why have we not been asked to help?" The answer to that question is, "Carranza." Holding power largely through a policy of enmity toward the United States he could not consistently allow his countrymen, whatever their necessity, to feed from the hand he so often befouled. The records of the American Red Cross bear eloquent testimony not only as to sufferings in Mexico at various times but also as to the reception given by Carranza from the inception of his power up to the day of his death to offers and efforts at relief by Americans.

In the *Red Cross Magazine* for November, 1915, it is stated that, "Twenty-six thousand applications for aid have been investigated and approved by responsible organizations and individuals. . . . . As many as 3,400 persons have made applications at headquarters in a single

Univ Calif - Digitized by Microsoft®

day, besides hundreds who applied in other places. . . . . The total quantity of soup delivered from August 5 to September 4, inclusive, was 553,575 liters. . . . . Through a special arrangement a number of cases of extreme starvation requiring medical attention have been treated in the American Hospital."

In the face of these conditions the Red Cross was ordered out of Mexico on October eighth at the request of General Carranza and as a preliminary to our recognition of his *de facto* government on the following day. The Red Cross made the following guarded announcement: "At the request of General Carranza and with the advice of the American Department of State, which was consonant with the request, the American Red Cross discontinued its relief activities in both southern and northern Mexico October 8, and Special Agents Charles J. O'Connor and J. C. Weller, whose enterprise, hardihood and efficiency in relieving the starving populace have brought them much praise, have been withdrawn."

Covering the period of thirty days ending Sep-

Univ Calif - Digitized by Microsoft ®

tember 25, 1915, Mr. J. C. Weller, special agent of the American Red Cross, submitted a report to that organization which if it could be quoted in full would prove an eye-opener to those who doubt that the enmity of the Constitutionalist government to the United States was not a passing whim but an active policy of long standing. Sandwiched in between accounts of attacks by Carranzistas on the Red Cross and looting by them of its supplies, we find this statement, "Before leaving us the Carranzistas were very anxious to know about the success of their compatriots with the Texas revolution. They were very much surprised when I told them that the Texas trouble was practically over. They seem to be under the impression that the Carranza lines were extended to within a few miles of San Antonio. They left me, shouting, 'Adios, Gringo; we will see you in San Antonio.' This was not a small party of men, but the general impression was there were some 1,200 men in this command. . . . . It is evident that the chiefs have been promising these men a paseo in

Univ Calif - Digitized by Microsoft ®

San Antonio when they take it. This I heard from several men who ranked as high as captain."

Speaking of the make-up of the Constitutionalist party which is in power to this day, whether led by Carranza or Obregon, and has run true to form, Mr. Weller says, "In conclusion I only regret that some of our higher-up Government officials could not have been with me to see the brand of individuals that are now in control of the situation in Mexico. They do not represent any of the good element in Mexico. . . . . General Ellisondo, in command of a district larger than Massachusetts, is a boy 24 years old, uneducated and absolutely irresponsible. General Zuazua was formerly classed as a saloon bum around Eagle Pass. A lieutenant colonel in command of a territory as big as Rhode Island was sent to the Mexican Army for stealing horses and cattle. These are not the exceptions but the rule. . . . . I do not find any difference between the Carranza faction and the Villa faction, with the exception that Pancho Villa seems to have a better control over his men. . . . . Having

Univ Calif - Digitized by Microsoft ®

been in personal contact with both factions, I believe that it would be a crime to turn loose this some 200,000 bandits, thieves and scapegoats on the country."

Mr. Weller's description of the class of men commanding Carranza's troops in northern Mexico applies equally to Obregon's leaders at the present day. That statement is not put forward as an aspersion but merely as a point of fact which we and Obregon will have to face sooner or later. That Carranza's attitude toward American relief never changed was evidenced by the account printed in *Excelsior* of February third of this year of the rebuff administered to the American Red Cross as well as to the American Chamber of Commerce of Mexico when they attempted to render aid to the thousands of sufferers from the recent earthquake in the State of Vera Cruz. The stand taken by the authorities forced the Chamber to return all subscriptions to its one million peso fund to the donors. The Red Cross expended over ten thousand dollars through the American Consul and contemplated sending a relief unit until it was

Univ Calif - Digitized by Microsoft®

unofficially advised that such an act would not be received with any degree of cordiality by the Mexican authorities.

We come now to the cardinal question, what is the nature of the distress in Mexico which justifies the title to this chapter? The answer cannot be given in a single paragraph because it strikes below the level of surface charity and is founded on considerations which link the subject of specific relief to relief of the nation as a whole. In other words, it leads us straight to the field of controversy where those of us who are for taking sensible, immediate and final action as regards internal conditions in Mexico are lined up against the advocates of chaos as its own cure.

First of all, one cannot emphasize too strongly the fact that the population of Mexico is not a homogeneous mass. It is made up of three distinct elements which can be roughly divided in the present day as follows: the bourgeoisie who lived a life of ease under Diaz; the parvenus who have displaced them under Carranza and the vast, unchanging horde of aborigines of over thirty dis-

Univ Calif - Digitized by Microsoft ®

tinct tribes embraced under the single term of peon. The first and second of these divisions number about ten per cent. each of the total; the peons make up the eighty per cent. to balance.

It is with this submerged eight-tenths of the Mexican peoples that we are especially concerned here, not necessarily from any motives of altruism but because their well-being and prosperity are becoming more and more linked to ours and, in the same proportion, the causes of their oppression and misery are merging with the causes which make Mexico an impossible neighbor. To put it in plain English, what we do for the peon, we do for ourselves, and his salvation from subjugation under a century of so-called self-determination would carry with it a clean-up of the reign of banditry and graft which is at the bottom of our present fermenting troubles with Mexico.

The case of the inarticulate common people of Mexico is a sad one. From the time the republican government was constituted in 1824 to the advent of Diaz in 1876 they suffered under thirty-four presidents, (twenty-five of whom were generals)

Univ Calif - Digitized by Microsoft ®

and an emperor. In forty-eight years they were whipped about by thirty-five administrations practically all of which came into power by violence. Bring that statement home by asking yourself what would happen to your own or your children's development if we were to select a president a little oftener than bi-annually by force of arms.

Eliminating the purely nominal interim of Gonzalez, the strong arm of Diaz held the country in subjection for twenty-five years. As I have shown previously, Diaz brought about the industrial birth of Mexico, but he was powerless to make his basic social reforms keep step with the meteoric rise of industrial prosperity. At the end of his reign, except for the bare benefit of a quarter of a century of unaccustomed peace, the lot of the peon was no better than before his advent. Following Diaz, eight presidents held the reins of government in the short space of the four years which preceded the ascendancy of Carranza.

With governments changing at such a rate Americans are justified in assuming that the peons

Digitized by Google

who represent twelve million out of a possible total population of sixteen million must be generally turbulent. Nothing could be further from the actual truth than such an assumption and it is almost as damaging to the cause of American aid to Mexico as the misguided preachings of those who honestly but ignorantly believe that Mexico is a self-governing republic and not a series of oligarchies each of which has sucked the blood of the prostrate peon until to-day he is actually at a lower level of autonomy than he was under the Aztecs.

I unhesitatingly make the assertion that the common people of Mexico, all that vast submerged division which has become colloquially branded under the name of "pelado," (which literally translated means "plucked") is naturally of a peaceful disposition, laborious though slothful, inclined through very indolence to honesty, incapable of concerted action and astoundingly inarticulate.

Such being the case, it is natural to ask, how account for the innumerable bands of rebels and

Univ Calif - Digitized by Microsoft ®

outlaws which infest the country from border to border and sea to sea? I will tell you and the answer is worth remembering when you next come across any grandiloquent manifesto of would-be or actual Mexican authorities. The Mexican recruit never knows and never has known what he fights for. He never by any chance says "The general," "the colonel" or "the captain," but always, "My general," "my colonel," "my captain." His service is always immediate and personal, never objective.

This leaves us still at sea as to why he serves. In the first place, conscription is an established principle in Mexico; in the second, the peon through the length and breadth of the country lives on Indian corn and beans. He eats other things but as a last resource he depends absolutely on corn or beans to ward off actual starvation. As a result his sole lasting and unchanging inclination is to plant and gather these two harvests. This fact makes him exceptionally vulnerable. All a bandit or a federal leader in need of recruits has to do is to descend on some fertile valley and

Univ Calif - Digitized by Microsoft ®

destroy or steal the year's crops. The peon is left with Hobson's choice,—he must either join the robbers and himself live by plunder or die.

There are, of course, exceptions to this general rule and in certain localities the habit of plunder has been taken on by the humble agrarian as an avocation. Having learned the trick, he is apt to pull off a train hold-up and then bury his arms and quietly return to his fields to the confounding of occasional pursuit. On the other hand, in at least one large district the plague of government and other bandits has come up against a wall of armed resistance where organized planters of every degree have made good their intention to protect their crops.

But the sum total of the situation is that the country is kept in constant turmoil by the vicious circle of depredations having its origin in corrupt authority and apparently coming back like a boomerang to embarrass that authority. Defenders of the Carranza oligarchy pointed to this embarrassment as a legitimate obstacle which the government was striving to overcome. They re-

Univ Calif - Digitized by Microsoft ®

fused to recognize what every Mexican knew to be true in his heart,—namely, that the Constitutionalist régime under Carranza drew what breath of life it had from the continuation of banditry in one form or another.

Under its baleful reign an element heretofore exempt from absolute penury was dragged down into the necessitous condition of the peon without having the habitual power of endurance inculcated by centuries of oppression into the "pelado" to fall back upon. I refer to what we would term the government brain-workers and skilled mechanics of the middle class, the low-salaried clerks, school teachers, modest employees and industrials who looked to government for pay but were not in positions where their honor had a cash value.

The distress of this element during the last four years, while sixty per cent. of the total revenue of the country (greater than ever before in its history) was being handed to the military as one hands a stick of candy to a naughty child to keep him quiet, beggars description. One thousand skilled

Univ Calif - Digitized by Microsoft ®

mechanics, discharged from the national railways at a time when but for Carranza's insistence on keeping the trouble-pot with the United States at a boiling point the railway shops would have been running to full capacity, applied in a single memorandum to the American Consulate General for facilities to cross the border.

The plight of the government employees in a stricter sense of the word was worse. School teachers starved or committed suicide; hungry-eyed clerks, debarred by chance from all those various posts of responsibility where one can fall back on graft, blackmail or embezzlement, were cut down in pay until they walked to and from their precarious employment looking like specters held to life by a thin-drawn thread of hope in the face of desperation.

While cabinet officials were handing one another high-priced motor-cars as souvenirs and generals of division were buying up palatial dwellings at a rate which created a small boom in real estate, the daily press of Mexico of only eighteen months ago apathethically described the eating

Univ Calif - Digitized by Microsoft ®

alive by rats of women weakened by age and children emaciated by hunger. It was a gruesome news-item but nothing more.

But Mexicans have no corner on apathy. On Sunday, March twentieth of this year, *The New York Telegram* published two items cheek by jowl in parallel columns. The first was headed "Mexico to Prevent Flight of Jenkins," the other, "Mexico Plans to Make Own Guns, Palmer Says." The first item stated that the authorities at Puebla, having discovered that W. O. Jenkins, American Consular Agent there, was planning to leave secretly for the United States had taken measures to prevent this action. My comment on that is that as our State Department held absolute proof of the innocence of Jenkins and as in the face of that proof the President insisted on abandoning him, no blame can attach to the Mexicans for adding insult to injury and piling ordure on affront.

The gist of the second item is to the effect that the Attorney General was of the opinion that while exportation from the United States to Mexico of

Univ Calif - Digitized by Microsoft ®

arms and ammunition is now prohibited, exportation of machinery for the building of an armament factory would not come under a fair construction of these laws and therefore could not be prohibited. He then shifted responsibility by pointing out that under war powers President Wilson could bar exportation of any article. In other words, we have a national right to prevent our left leg from being bitten by a mad dog, but only the Executive has the authority to protect our right leg from the same bite.

The result of the conditions existing not five years ago but to-day in Mexico, and which I have tried to outline so fairly that none but the hypocritical can take exception to my deductions, is a wide-spread and continuing misery throughout the lower classes and the more inaccessible regions of Mexico that in frequently recurring periods of famine equals anything we have heard of in Armenia both as to the millions affected and the scope of disaster. What would be your choice between a swift death by massacre or the slow torture of famine?

Univ Calif - Digitized by Microsoft ®

The peon is naturally improvident; in the face of varying climatic conditions he can do no more than hold his own. What would be penury to our agricultural laboring class is to him affluence. Strike at his narrow margin of a bare livelihood by turbulent conditions added to the menace of droughts and he is immediately plunged into starvation.

If the reader has been patient enough to follow me thus far he will be able to understand why no nation-wide appeal for money has ever been made to Americans for relief in Mexico; he will also see that no such fund could be applied to its legitimate object. If he will follow me further I shall attempt to show that the complications of the Mexican situation demand from us a more difficult kind of giving, a charity of thought, of understanding and finally of action which makes a demand on our patience and time, two commodities which we are apt to value beyond cash.

In all such matters we have a national inclination to demand solution of the problem and let the exposition take care of itself, but I refuse to be

Univ Calif - Digitized by Microsoft ®

drawn into the trap which has caught the feet of the many know-it-alls who have wandered through Mexico befogged by preconceived notions of unattainable ideals and come out to do immeasurable damage by advocating impracticable ends wholly divorced from the actualities which cry aloud for a short peck of common sense.

If this book is an arraignment of the government we put in power in Mexico and of our disastrous share in the chaos existing in that country, for my own protection if for no higher reason it should be made fool-proof and hog-tight before being submitted as a basis for such radical action as has never yet been applied in our foreign relations. In this connection there is a large division of Americans which to-day is giving its entire attention to minding its own business and which can be expected to ask, "If we left them alone for a hundred years, why not leave them alone for another hundred?"

The answer to that is easy. Once we had no stake in Mexico, to-day we have. Once Mexico

Univ Calif - Digitized by Microsoft ®

was not a factor in the world's commerce, to-day it is. Once Mexico was a yapping cur, to-day it is a knife held steadily at the back of our national peace. Once Mexico invited investment and offered security to life and property, to-day a thousand major claims are gathering dust in the archives of a somnolent and sterilized Department of State.

You cannot go back on a billion dollars of your neighbor's money without hearing the wail of the holders of the bag, Tom, Dick and Harry, morning, noon and night. You cannot ignore robbery and foul play next door and look for a square deal from the rest of the jeering world. You cannot overlook Mexico and put your hand in your pocket for Armenia without proclaiming yourself a fool. You cannot submit to the murder by a recognized friendly government of your own flesh and blood at the rate of two a month for thirty-six months without declaring a perpetual open season for the potting of every American who ventures abroad. When it comes right down

Univ Calif - Digitized by Microsoft ®

to hard tacks, you cannot bring up your boy to put up with all or any of these things without despising him and yourself in the long run of national character-building.

Univ Calif - Digitized by Microsoft ®

CHAPTER VI

NEGOTIATION BY ULTIMATUM ONLY

ON MARCH 23, 1920, a new American Ambassador to Mexico was appointed and the choice of the administration was rightly commended by the vast majority of the press. A New York editorial on the following day opened with these words: "It is permissible for the friends of peace and good neighborhood to hope that the appointment of Mr. Henry Morgenthau as Ambassador to Mexico portends the reestablishment of relations of confidence and friendship with the Government and the people of that Republic."

No exception whatever could be taken to the President's selection; on the other hand it is by no means permissible for the friends of peace and good neighborhood to draw the pleasant auguries pictured by this editorial. The mere appointment of an ambassador to Mexico at the present juncture is fraught with danger to the best interests of the United States and was at once an unwarranted

Univ Calif - Digitized by Microsoft ®

concession to a government which had flouted all our efforts toward friendly dealing and an imposition on Mr. Morgenthau himself whose exceptional record and training should have saved him from the threat of being stretched on the rack of the Mexican post. Fortunately for him his appointment found the Senate in no mood to confirm any envoy to Mexico. But that the attempt to send one should have been made is a matter for alarm.

The editorial quoted goes on to say that he "will be in a position to tell the Mexicans that there is no reason on earth why the relations between their country and the United States should not be those of friendship, of frankness and fair dealing. Their industries, their commerce, their credit, will be immensely advantaged by good understanding, and thus he will be able to point out to them that friendly spirit which one neighbor should always feel toward another."

This echo from the book of Rollo is a masterpiece of its kind. It might have been written by any journalist in a sound sleep. Take the statement that there is no reason on earth why the

Univ Calif - Digitized by Microsoft ®

relations between Mexico and this country should not be those of friendship, of frankness and fair dealing. What are the facts? Five hundred and fifty-nine Americans murdered since the fall of Diaz without reparation of any kind; American property values destroyed in over one-third of the states of the so-called Republic without indemnity; between eight hundred and one thousand claims mouldering in the files of our State Department without hope of settlement; confiscatory interpretation of the clauses of the new constitution jeopardizing American vested interests to the tune of hundreds of millions, arbitrary juggling of national budgets to evade legitimate international obligations and, most significant of all, a consistent evasion of friendly or any other kind of negotiation on all these points. In short, up to the actual collapse of Carranza, we were in possession of the entire credit side of the ledger and faced by a debtor who, far from showing inclination to pay, displayed a cynical aptitude for piling insult on injury.

These are the rocks which must be removed

Univ Calif - Digitized by Microsoft ®

before the double stream of our relations with Mexico can attain an even and peaceful flow. But these specific obstacles are only half the story. If they stood isolated from the fabric of the machine which Carranza built up and which threatens to prolong its activities beyond his individual elimination, they could be attacked one by one by an experienced diplomat with some hope of their ultimate removal. Unfortunately they are attached in an unholy union to the very vitals of an organization which has sucked nutriment from opposition to "friendship, frankness and fair dealing" with the United States and, such being the case, the appointment of an ambassador was a move which should have been studied seriously before it was given even qualified approval.

There is nothing more maddening and at the same time more unjust to those who represented the United States in Mexico during the period of our participation in the World War than the implication that they were remiss in pressing upon that country by every means in their power

Univ Calif - Digitized by Microsoft ®

the advantages of a genuinely friendly relationship. That they failed of their objective is due entirely to the fact that while they had the sympathy and support of the State Department, the State Department was to all intents and purposes cut off from the White House and consequently powerless.

Owing to recent developments which are in the knowledge of the public, it is permissible to call attention to an important feature of our recent official relations with Mexico, and that is, that we had not a presidential dictatorship using the State Department as a tool but an absolute hiatus between the machinery of our foreign relations and the Executive. The plant was in fairly good running order but the connecting rod linking it to the source of power was more than twisted; it was discarded.

During the entire three years of Mr. Fletcher's embassy to Mexico he was granted but a single interview with the President on Mexican affairs and that conversation was devoted to securing release of ammunition to Mexico in the spring of

Univ Calif - Digitized by Microsoft ®

1917. For the rest of the time, the Ambassador occupied the anomalous position of being on paper the personal representative of the President, but in fact nothing more than the voluminous informant of a State Department, which in turn could do no more than supply a tomb for a mass of occurrences and deductions which should have formed the basis for an active and comprehensive policy. Throughout this period the only intimation, the only suggestion of a move toward a definite line of action in regard to Mexico, was a circular instruction to diplomatic and consular officers to "shower benefits on Mexico." This initiative was ascribed in plain terms to the President but carried no intimation that it was founded on any but abstract considerations.

Whatever their personal views may have been as to the wisdom of such a move, this faint stirring of interest in Mexican relations was seized upon by the representatives of the United States with avidity and given whole-hearted execution. In the face of one rebuff after another in both the diplomatic and strictly commercial fields of our

Univ Calif - Digitized by Microsoft ®

international contact, our officers presented a steadily smiling front until a point was reached where they could no longer countenance thievery of the Mexicans by Mexicans on the one hand and murder of Americans on the other without surrendering forever their individual self-respect.

Thievery and murder are strong words, but none too strong to describe an issue which forces senior officers across the broad limit which divides the official as such from the individual man. I mean by that, that a representative of any government is technically a hand of that government extended abroad and taking its direction from the central will. Technically he is that and nothing more, but once in a while a condition arises where the mechanical hand becomes human, where the personal equation gradually asserts itself over the machinery of cut and dried instructions and the individual awakes to the fact that he himself can go no further along the line marked out by his government without becoming vile in his own eyes. To his country such a development is seldom a matter of importance, but to the self-

Univ Calif - Digitized by Microsoft ®

respecting individual it is an intimate climax; he is face to face with the necessity of surrendering either his manhood or his official status.

Such a condition came to a head in Mexico at about the time of the armistice. It arose from a long accumulation of incidents but one alone will be sufficient to enable you to apply a test and ask yourself, "What would I have done if it had been up to me?"

Do you remember when you were going without sugar for your second cup of coffee and had mighty little for your first? Do you remember when your wife was trying desperately to substitute ingenuity for white flour and getting away with it at the expense of your digestion? During all that time there never was a day when the adherents of the Carranza machine lacked their fill of sugar and white flour. Simultaneously tremendous pressure was brought to bear on the American Consulate General to facilitate the entry of American corn to save the common people of Mexico from actual starvation.

On the face of things there was a paradox and

Univ Calif - Digitized by Microsoft ®

a paradox actually existed. A telegraphic investigation made under instruction from our Department of State revealed the fact that eighty per cent. of Mexico and the Mexicans was threatened with imminent famine. Great planters whose sympathies were by no means with us in the crucial question of the war, lowered their pride, changed their avowals of adherence and presented themselves with tears running down their cheeks to beg for the chance to buy corn to feed their starving peon retainers. As a result concessions in the way of export of corn were made to Mexico such as we granted to no other neutral country, however friendly or however urgent its needs.

At the same time, the millers of Mexico submitted a volume of circumstantial evidence to the effect that if we did not release a certain amount of wheat, white bread would disappear from the Mexican table. They exhibited statistics on existing stocks, on the rate of consumption and on the sufferings which would result to the entire middle class from our refusal to come to their aid. This appeal failed. Why? Because individually

Univ Calif - Digitized by Microsoft ®

I never laid in a stock of over ten pounds of flour and the frequent purchases of my cook in the open market supplied a small-sized but practical barometer which refuted the exaggerated statements of the millers. Nevertheless, there was a wide-spread popular belief that the country was on the verge of a bread famine which would supplement the lack of corn and thus plunge all classes of the Mexican family into the same hungry boat.

However, soon after the Consulate General had refused to lend its aid to this project, the unforeseen accumulation of flour stocks in the United States permitted the release of fifty million pounds to Mexico and a conference of all our consular officers in that country was called to arrange an equitable distribution of the shipments. Within forty-eight hours it was rumored that the millers had started a movement to persuade the acting Secretary of the Mexican Treasury to place an import duty on wheat flour. Apparently the famine arguments they had put forward when

Univ Calif - Digitized by Microsoft ®

pressing their demands for whole wheat did not apply to the ground grain.

The proposition for an import duty on flour seemed too preposterous for credence. The papers had hailed the large release of flour by the United States with hearty commendation and merchants were swarming at the Consulate General to secure their quotas at the earliest possible moment. Everybody knew the venal character of the Mexican Treasury Department, but importers felt that in this case at least public opinion would form an effective barrier to any tariff juggling which might start an echo in the empty national stomach.

The feasibility of tariff juggling (under an extraordinary bit of legislation the dangers of which have been ignored here and scarcely appreciated in Mexico) remained as the only justification for the persistent rumors that continued to reach the Consulate General to the effect that an import duty would surely be put on flour before the shipments from the United States could arrive and that the method of persuasion by the millers would be the ancient medium of hard cash.

Univ Calif - Digitized by Microsoft ®

Within a week our secret service, at that time still active in Mexico, secured a copy of a telegram sent by the millers in Mexico City to the millers in Guadalajara which, being translated, ran as follows: "N. asks 150,000 pesos to put duty on flour. Will you stand your share?" It is naturally impossible to cite the persons who reported by word of mouth and day by day the actual negotiations which ended (as predicted by the informants from the rise of the first rumor) in an import duty conceded for a cash price.

This incident stands out as easily the most cynical example of the Carranza graft machine in full action. On its shameless face it was at once a crime against the Mexican people and an affront to the United States. It was because it was an affront to the United States and a barrier to the wave of good feeling arising from our action in releasing the flour that Carranza could afford to stand for it.

American merchants, accustomed to doing business on a fixed tariff and who know from their experiences during periods of tariff revision the

Univ Calif - Digitized by Microsoft ®

basic relation between import trade and established import duties, are apt to doubt the imposition of an import duty on a prime necessity of life in any country by executive decree. Let me call the attention of such doubters to the parenthesis inserted three paragraphs above which made a passing allusion to a choice bit of Carranza legislation and stated that its dangers have been ignored in the United States and scarcely appreciated in Mexico.

That allusion referred to the powers granted to the Mexican Executive by a subservient legislature and which he held for a term of years (and still holds) to change the import tariffs of the country on such articles and for such periods and purposes as he saw fit by executive decree unsupported by any legislative debate or specific authorization. Of all the implements of commercial torture, this is the most perfected quick-graft producer known to the history of international trade.

What does it mean? It means that no man can carry on a successful business in Mexico while this

Univ Calif - Digitized by Microsoft ®

provision continues without dirtying his hands with bribery. Unless you are a merchant you cannot weigh that statement without an illustration. Imagine that you are an importer and that the President has the power to change the tariff on twenty-four hours' notice or even make the change *retroactive*. Imagine further that five out of any ten cabinet officers have personal go-betweens who are known to all and sundry as fixed avenues of approach. Suppose that you have a large shipment of raw material on the way to meet contractural obligations. You immediately become the prey of any one who hears of that shipment, and at the first rumor of a duty to be suddenly imposed on the raw material in question, you are faced with this alternative: "Sweat blood or pay."

That is one angle of the picture; here is another. Your stocks are low, prices are high, salesmen are pressing you to buy and import. You can see a big profit, your mouth waters, but that is as far as you get. Why? It takes from two to ten months to secure delivery of goods from abroad and *unless you stand in* you cannot possibly know

Univ Calif - Digitized by Microsoft ®

what will be the duty on any given article a week ahead. For general trade purposes it takes not only money but a genius for intrigue and underground alliances to "stand in," and few there be that measure up (or down) to the requirements. The average merchant is reduced to ordering one-tenth of what he would like to buy and distributing his purchases so as to insure himself of a chance to balance loss here against profit there. Thieves only win; consumers lose.

After seventeen years' experience in the commercial service of the United States I make the assertion that were all other grounds for friction with Mexico miraculously wiped off the slate this single item of the arbitrary power of the executive branch of the Mexican government to juggle import tariffs at will is so iniquitous in its endless ramifications that while it stands we are foolish to waste money on an ambassador to that country. If you will think you will see that this language is not extravagant. For generations tariff stipulations have been woven into the warp and woof of international comity. The Mexican

Univ Calif - Digitized by Microsoft ®

tariff situation is a quicksand. Quite aside from its aspect of wide-spread blackmail it is capable of swallowing whole any doll's house lodging for a non-existent "friendship, frankness and fair dealing" which we may attempt to build on its unstable borders.

However, the significance of the attempts to send an ambassador to Mexico does not hang on the issue of the tariff. While the danger of the situation on that issue to legitimate commerce was fully reported to the State Department, it is doubtful whether any official higher than a filing clerk has taken this menace to stabilized relations into consideration or even heard of it. The true measure of the action frustrated first by the United States Senate and then by the turn of events in Mexico can be taken only by painting in broad strokes the map of events which swept a Secretary of State, an Ambassador and lesser officials who were saturated with knowledge of conditions in Mexico off the board and substituted for them gentlemen who are popularly credited with a willingness to follow a blind lead.

Univ Calif - Digitized by Microsoft ®

A fair deduction from these events appeared in *The New York World* of March 24, 1920, which read in part as follows: "The President's appointment of a successor to Ambassador Fletcher is his answer to the activities of the Senate Sub-Committee investigating Mexican affairs which has been presided over by Senator Fall of New Mexico. It is, moreover, his reply to the campaign which had obtained sympathetic consideration inside the Department of State to withdraw recognition from the Carranza Government by resolution of Congress.

"It is true that Secretary Lansing, although the original proponent of recognition of Carranza, had got more or less out of patience with the actions of the Mexican Government in various disputes pending with the United States, and that Ambassador Fletcher, too, felt that all that could be done with dignity and honor had been attempted by the American Embassy at Mexico City to no avail."

This is a mild statement of the true facts in the case. In the first place, while there had undoubt-

Univ Calif - Digitized by Microsoft ®

edly been a strong campaign on the part of various organizations for the protection of American rights in Mexico to move the State Department to any policy, good or bad, so long as it was a fixed quantity and not the eternally unknown X, this legitimate activity met with minimum results. Why? Because the State Department was in mortal terror of the mere appearance of consorting with "big interests" at a time when dollar diplomacy was out of fashion. What really influenced the senior branch of our administrative machinery to cut its own throat by the mere act of coming to life for a brief moment was the sudden realization that it preferred a quick exit to a creeping death.

It was being eaten alive not by clamorous claims from without but by the remorseless piling up of fact on fact from within. It knew what no one else knew about Mexico, not excepting the most rabid propagandists. It could not pass that knowledge on to the public, but what was far more fatal it could not even pass it up to the normal source of its own power. Robbed of that con-

Univ Calif - Digitized by Microsoft ®

stitutional vent it was being rapidly choked to death by its automatic accumulation of stark truths which would not be denied, "big interests" or no "big interests." Aware at last that its machinery was slowing down under the burden to complete stoppage it emitted one single valiant shout against the rape of its faithful servant, Jenkins, and passed away.

It is not the purpose of this book to mystify the reader on any particular nor to arouse the instincts of prejudiced partisanship. We are interested here merely in making clear the obscure. Consequently you have a right to know just what it was that clogged the wheels of the State Department. It had been almost feverish in its efforts through its representatives to carry out the order to "shower benefits on Mexico." These efforts were shattered without an exception against a blank wall and that blank wall was the unqualified refusal of Mexico to have benefits showered on her at any price. Imagine a chess-board where one side makes a succession of opening moves through three patient years and its opponent merely blinks

Univ Calif - Digitized by Microsoft ®

and never advances a single pawn. There you have a picture of our diplomatic relations with Mexico throughout the Carranza ascendancy.

From the point of view of economic welfare the stand taken by Carranza brought untold and unnecessary suffering on his nation as a whole, but from the view-point of abstract diplomacy his position was absolutely unassailable. We had a baker's dozen of paramount claims against Mexico; she had none against us. We had announced that no matter what she did we would never resort to force. As a consequence she left all her diplomatic chessmen standing quite still and behind that screen began to pile one affront on another protected by nothing whatever beyond President Wilson's assurance that we had tied our own hands and given our executive word that we would keep them tied.

Can you see the position of the State Department? As incident was added to incident, increasing the heap of unsettled claims almost day by day with never a settlement of a single outstanding question, it realized that to all intents it had

Univ Calif - Digitized by Microsoft ®

actually ceased to function. It was not moved to take thought by arguments of its representatives but by cold facts,—ten cabled words telling of a fresh murder, fifty describing a confiscation, two hundred outlining a disastrous law, half a dozen messages covering decrees each one of which was a robbery on a grand scale.

It took thought and realized what every schoolboy knows, that you can tie one hand behind your back and still get along if you are clever and husky. But with two hands tied behind your back, you have not evened things to the level of the weakest member of your social community; you have gone further and simply made yourself the easy prey of the smallest urchin mean enough to spit in your face. This question of meanness is the canker at the heart of our altruism toward Mexico. The Mexican has never known the sensation of chivalry; it has never occurred to him to spare a fallen foe. The mere fact of a man's having his hands tied appears to him the most reasonable argument for slapping his face. "What better chance could you possibly get?" he asks,

Univ Calif - Digitized by Microsoft ®

and stands absolutely bewildered by the contention that our self-made impotence is a thing to be respected. Probably the most surprised man in Mexico to-day is Herrera, on trial for murdering Carranza in his sleep.

Having had this truth thoroughly drummed into it the State Department finally realized that there is only one path back to safe and sane relations with Mexico. It saw in the Constitutionalist government's growth a noxious plant that had grown to unprecedented proportions because it was being watered by an unprecedented forbearance on our part, a plant fertilized by the bodies of hundreds of murdered Americans and sustained by robbery of thousands of others. There was but one recourse from the view-point of common sense and mercy as well as from that of legitimate protection to Americans abroad, and it consisted in an abrupt withdrawal of the forbearance which had caused the mischief, a reversal to negotiation by ultimatum only.

Let me quote further from the article from *The New York World* cited before. After remarking

Univ Calif - Digitized by Microsoft ®

that when the World War ended the President was too absorbed in other matters to bother about Mexico, it proceeds: "As a consequence matters drifted on until the Senate Sub-Committee took an active interest in the situation, seeking by publicity not exactly to bring about intervention, as so many people have supposed, but to obtain a withdrawal of the recognition the United States had extended to the Carranza Government. Even if the plan failed, it was thought the moral influence of the investigation would promote a healthier regard for the lives and properties of American citizens, especially in the vexatious oil controversy.

"There is some reason to believe that both Secretary Lansing and Ambassador Fletcher were so ready to cooperate with the Senate Committee as to give the impression that they believed their own hand in diplomacy would be strengthened thereby in dealing directly with the Carranza Government. But President Wilson upset all plans. Not only did he decline to countenance any cooperation between Secretary Lansing and

Univ Calif - Digitized by Microsoft ®

the Senate Committee looking toward a withdrawal of recognition and, incidentally, considered the Jenkins case a rather flimsy pretext for international strife, but he accepted Ambassador Fletcher's resignation without so much as a word of appreciation for the many and trying months he had spent in wrestling with the Mexican situation both in Mexico City and Washington."

Those two paragraphs are exceedingly interesting. In the first place they are accurate; in the second they show how mild was the initial step by which the State Department hoped to force the Mexican government into advancing a single pawn on the chess-board of international friendship. It purposed merely to withdraw recognition of Carranza. It is amusing to compare the importance we attach to this recognition with the reception it got at Carranza's hands at the time of its occurrence. By giving it out to the press as a minor news item with no comment whatever he used it to emphasize his isolation from the United States and subsequently consigned it to the lumber-room of national rubbish.

Univ Calif - Digitized by Microsoft ®

Does this mean that if we actually did withdraw recognition such action would not affect the standing of Mexico's executive? Not at all; it means merely that the Constitutionalist machine has been playing and still triumphantly plays its game of bluff with mechanical consistency and will continue to play it until it sees the shadow cast before of a genuine ultimatum, be its nature what it may. At long last the State Department awoke to the absurdity of its monologue behind a dust-covered diplomatic chess-board while its opponent was engaged in grim poker. It knew that anything in the line of an ultimatum that meant what it said would serve to call the bluff and it evolved the meek and purely negative recourse of withdrawing its previous recognition.

Ask yourself in all fairness if this move savored of intervention. It did not, but it did contain the seed of action. It marked the turning point where the Department was willing to avow to the world that it had gone its limit along the road of "let her slide" and was ready to drop the parrot call to Mexico of, "Whatever you do, we won't do

Univ Calif - Digitized by Microsoft ®

anything," and substitute for it a sequence of pregnant phrases beginning, "If you don't do so-and-so in forty-eight hours, we *will* do so-and-so."

Let me interject an incident in support of the assertion that anything in the line of an ultimatum would have served to check the unbridled assault of the Mexican administration on fundamental rights of Americans within its territories. In August of last year a five-line despatch slipped into the papers to the effect that the United States was about to reverse its "policy" toward Mexico. This announcement caused no surprise in the United States and had been actually expected in Mexico since the signing of the armistice. So inevitable and so reasonable had it appeared to officials of every category that they had been indulging in a last orgy of petty affronts under the old status of "hands off." Now it is a matter of fact that within forty-eight hours of the publication of this small news item two cabinet officers and three other individuals prominent in the Carranza ranks got in touch with an American

Univ Calif - Digitized by Microsoft ®

who had had intimate relations with his Embassy and Consulate General to learn when and how the crash was to arrive. The burden of their nervous cry was that they had long "seen it coming" and wanted inside seats on the new band-wagon.

If ever there was a moment when the Carranza régime was open to reasonable negotiations it was while this mere rumor of a change in American tactics was in the air. A quiver of the international weather-vane was enough to start the bandit government scrambling, but before the echo of the disturbance could reach Washington the State Department was forced to announce that the declaration of a change of "policy" toward Mexico was erroneous and that no reversal was contemplated. Immediately the smile reappeared on the face of the Mexican tiger. He was dazed by this bit of incredible luck but promptly and philosophically returned to the carcass. The end of the free lunch on American lives and property was not yet; so much to the good.

This incident stands out like a shining light in support of those American officials who asserted

Univ Calif - Digitized by Microsoft ®

time and again that a firm hand laid on Mexico would have led to peace and not to war, and incidentally would have saved what was good in Carranza to the service of his country. It answers the lollipop pacifists who have endeavored to establish as an axiom the principle of total blindness as a requisite to leadership and lays at their door, where it belongs, the blame for passively sinking us deeper and deeper in a mire of our own creation. It thunders in ears which will not hear the truth that by nature, training and precedent the Mexican despises forbearance but bows to pressure.

Now get a picture clearly in your mind. At the beginning of this current year the position of the State Department suddenly crystallized, precipitated by the Jenkins outrage. The conviction that under the slogan of "No more shilly-shallying!" we might yet save the day for a settlement of the Mexican embroglio *without intervention* soaked up gradually from its source in the heart of every American official on the spot, bar none, until it saturated the entire Department

Univ Calif - Digitized by Microsoft ®

and reached an arbitrary limit in the Secretary of State. Beyond him it could not go for reasons already stated. But its long labor was not entirely lost, for it served to bring Mexican affairs, as an issue, squarely on the administrative carpet.

Here is the picture. The Department through its action in the Jenkins case said to the public, "We who are about to die salute you. It is our opinion that no ambassador should be sent into the berserk land of Mexico and that furthermore we should withdraw our recognition of one who has steadfastly held aloof from even a bowing acquaintance. We believe that this pressure, steadily increased, will point the way to a settlement with peace and that any other road will lead us farther into the dark forest of misunderstanding. We confess past error and declare for negotiation by ultimatum only rather than no negotiation at all. Incidentally, squeezed between a rising bed of thorns and the smothering blanket of a deaf ear, we stand or fall by the cardinal issue that the Department of State is an essential branch of the mechanism of government physically incapable of

Univ Calif - Digitized by Microsoft ®

functioning under administration by blind preconception from above when it is being choked by contrary facts from within."

Thus having declared itself the Department fell and it fell hard. With the dismissal of the Secretary and the elimination of Fletcher, it was swept bare of the last major official conversant with the actual Mexican situation; with the appointment of a new ambassador, categorical answer was given to Lansing's swan-song regardless of the new surrender to Carranza and the fresh betrayal of American lives which it necessarily entailed; with the assertion of the doctrine of no advice from advisers the executive chariot wheels plunged one revolution farther into the sea of mud which is non-existent by presidential decree, but which continues to befoul our southern border just the same.

The facts are now before the reader but there is one crucial point on which he can be given no information and that is, what was the intention, good or bad, behind the appointment of a fresh ambassador? Was there any plan, sane or insane,

Univ Calif - Digitized by Microsoft ®

for a constructive policy toward Mexico to supplant the scheme evolved under Mr. Lansing?

If there was no plan and if no adequate settlement was aimed at or intended the position of any one accepting the Mexican post *with open eyes*, irrespective of individuality, would be ambiguous and unenviable. If he acquiesced knowingly to the posture of a brass-monkey which was forced on unwilling predecessors he would lay himself open to a charge of time-serving complacency. If he surrendered what shreds of dignity we have left by being the medium through which it is suggested to Mexico, under whatever control, that we wipe out all scores and start afresh, the scores being totally on our side of the slate, he would become an active partner in the infamy of a great betrayal. There is no middle ground in a game where your opponents never emerge from behind their own goal line.

How far that betrayal has already gone is measured by the milestones of five hundred and sixty-one murdered Americans, two victims having been added to the list since this chapter was

Univ Calif - Digitized by Microsoft ®

begun. In regard to no single one of these cases have we taken any action whatever beyond stereotyped notes. Compare that inactivity on our part with the astonishing sworn testimony of Judge E. L. Medler, before whom six of the Columbus raiders were tried for murder, convicted and sentenced to be hung. The evidence was given before the Senate Sub-Committee for the investigation of Mexican affairs in February of this year.

Judge Medler. He (Mr. Stone) produced a telegram from the Attorney General.

Senator Fall. The Attorney General of the United States?

Judge Medler. The Attorney General of the United States; containing these instructions, which I read. He also produced a telegram from General Funston, who was then in charge of the Southern Department, in San Antonio, and also produced a telegram from the Secretary of War, or the Secretary of State—I cannot remember which—it is my present recollection it was from the Secretary of State, but I would not be positive

Univ Calif - Digitized by Microsoft ®

as to this. The substance of these telegrams was that these various departments protested against the trial of the Villa raiders, or Columbus raiders, as we called them, on the ground that it would involve the United States in international complications with Mexico.

Senator Fall. These telegrams were submitted to you?

Judge Medler. They were submitted to me in open court.

Senator Fall. What was your decision?

Judge Medler. I told Mr. Stone that these defendants were regularly indicted by a properly impaneled grand jury of Luna County; that they were in charge of the sheriff of Luna County; that the grand jury had previously reported that the jail of Luna County was insanitary and not a proper place to confine prisoners; and that to continue the trial of this case would involve their being held in jail for six months, and I saw no reason why the court could not proceed to try this case on the following morning; that General Pershing was in Mexico with his expedition trying to

Univ Calif - Digitized by Microsoft ®

arrest Francisco Villa, a co-defendant named in this indictment; and that if the trial of these raiders would involve the United States in international complications, to my mind it would seem that the United States was already involved. In other words, I practically told him there would be no "watchful waiting" around my court or any of my courts. I think that was the substance of the language I used.

Ask your heart whether it stands with this Texas judge or with the various departments that were feverishly active in their attempts to save six invaders of our own soil but have never been allowed to lift a finger for the protection of Americans across the line; and while you are asking that question remember that when we were engaged in the World War and at a time when the fate of this nation and its Allies depended largely on a supply of fuel oil, there was a *larger percentage of Americans murdered in the Mexican oil fields than was killed in the trenches of Europe.*

In paraphrasing above the valedictory of the

Univ Calif - Digitized by Microsoft ®

State Department as an integral part of our machinery of government there is no intention of ridicule. I was a member of its official family under John Hay, Root, Bacon, Knox, Bryan and Lansing and from that intimacy can testify to its one-time peculiar atmosphere of dignity, patience, power and almost parental guidance, but if you will take Hay's tenure of office as marking the apex of the Department's influence abroad, Root's as the high-water mark of internal reform, and cast up accounts against the chaos that was Bryan and the long inglory that was Lansing you will perceive a distinct recovery from ignominy in the final gesture of Captain Lansing as he went down with his sinking ship.

Because it was done apparently by request we are apt to lose sight of the significance of his act of official suicide. Remember that whatever the conjunction of causes which brought it about, those causes came to a final issue on a unanimous conviction within the Department itself that the only way to peace with Mexico without dishonor is the path of negotiation by ultimatum only.

Univ Calif - Digitized by Microsoft ®

If that policy was the best way out of the mess of Mexico in nominal control of a central power it will apply fourfold to Mexico in the throes of civil strife or under a fresh dictatorial rule.

Univ Calif - Digitized by Microsoft ®

CHAPTER VII

THE ONLY WAY

WITH the death of Carranza, there is bound to be in this country a rejuvenation of misguided tolerance. Already one hears talk on all sides of the propriety of patience while the latest leader of the Mexicans proves himself; editorials appear from day to day directing attention to Mexican affairs as being in a state of transition and counseling a policy of observation. Few seem to realize that it is far more important to the peace of this hemisphere that we should made demands for constructive activity in Washington just now rather than for a miracle in Mexico.

What does that statement mean? It means that if we had a carefully constructed policy toward Mexico and followed it consistently, there would be no Mexican problem. There is one sense in which we are criminally responsible for every disturbance in Mexico and it can be summed

Univ Calif - Digitized by Microsoft ®

up in the general accusation that we are looking the wrong way. Our whole attitude is and has been one of facing toward Mexico when we ought to face toward Washington. If we demand the right thing of our own government and get it, evolve a policy and follow it steadfastly, we need never worry about what is happening across the border, because what happens across the border has for a hundred years been an inverted reflection of the attitude of Washington.

I have yet to meet an educated Mexican or an American with experience in Mexico who does not admit that the plan outlined in the following pages is the only way toward a permanent cure. It will prove comprehensible, however, only to those who are willing to stand with their backs toward the din in Mexico and contemplate the stagnant inaction of Washington in the face of a great and humane opportunity. Why watch Mexico's sixty-fourth experiment founded on exactly the same ingredients that made up its predecessors? Why insist upon being told the same answer sixty-four times? Why not try one constructive exper-

Univ Calif - Digitized by Microsoft ®

iment of our own, a sensible one with a fair chance of astounding success?

Do you think Mexico has changed because Diaz fell or because the individual, Carranza, has now gone by the board? Listen. On August thirteenth, just forty-two years ago, Mr. Evarts, Secretary of State, addressed an instruction to John W. Foster, then American Minister to Mexico, in which the following passage occurs: "*The first duty of a government is to protect life and property. This is a paramount obligation. For this governments are instituted, and governments neglecting or failing to perform it become worse than useless. This duty the government of the United States has determined to perform to the extent of its power toward its citizens on the border. It is not solicitous, it never has been, about the methods or ways in which that protection shall be accomplished, whether by formal treaty stipulation or by informal convention; whether by the action of judicial tribunals or that of military forces. Protection in fact to American lives and property is the sole point upon which the United States are tenacious.*"

Univ Calif - Digitized by Microsoft ®

Compare the dignity and force of this utterance with the disastrous benevolence of the hundred and one devitalized protests addressed to the Mexican government during the Wilson administration. Ask yourself frankly if the paramount obligations of government have in truth become obsolete during the last half century and whether you prefer costly experiments in altruism to "protection *in fact*" of American lives and property.

Did Mr. Evarts' communication lead to war? It did not. There is a very human story originating with the son of Diaz as to the effect produced on his father at the first reading of a copy of this informal note. He says that the President suffered a "*coraje*," an ailment unknown to Anglo-Saxon pathology but common among Latins and which can best be described as a fit of anger so intense that there are cases where it has brought sudden death to its victims. It should not be confused with apoplexy as its one source is unbridled rage.

The story continues that when Diaz recovered

Univ Calif - Digitized by Microsoft ®

from his outburst of passion he entered a period of calm consideration from which he emerged smiling, struck the offending paper a crackling blow and exclaimed, "*El Fantasma!* With this I will muzzle my insubordinate generals. With this I can persuade them that the United States means business; they will either carry out my orders or fight the United States." That day marked the beginning of twenty-five years of peace not only along the troubled border but throughout Mexico.

To comprehend the full meaning of this incident it is necessary to recall the long epoch during which *El Fantasma*, the Spectre, was a common phrase used throughout Spanish America to denote the United States and its supposed predatory ambitions. Diaz himself did not believe in the phantom menace but he was quick to seize upon what was apparently the first concrete evidence of its existence outside the bounds of popular fancy and employ it as a tool with which to control his unruly generals.

Looking back on that quarter of a century of

Univ Calif - Digitized by Microsoft ®

internal and external order the most prejudiced American should be able to read the writing on the wall. Mexico, led by Obregon or any other, needs no revival of the Diaz régime because, whatever its great benefits, in point of fact it was a hierarchy built on the restless foundation of social inequality; but she *does* need a revival of that fear of the Spectre which by raising a ghostly finger made possible her pacification from border to border and from sea to sea. If history of our contact with Mexico teaches one lesson above another it is that in the very name of peace we should plead as a matter of form and threaten as a matter of business.

If this tenet implies brutality, let pacifists make the most of it. To me, and I trust to the reader, it is founded on logical deductions and can be reduced to the terms of an appeal to reason in the face of *each eventually as it arises* as opposed to a nebular altruism aimed at factors supposed to enter into the Mexican composition but which exist only in the stillborn hallucination of the minds that think inaction a synonym for peace.

Univ Calif - Digitized by Microsoft ®

As usual, events have been moving fast in Mexico as this book goes to press, but too much emphasis cannot be placed on the assertion made in its early pages that there exists in that country a *permanent condition of unrest.* Were it not for this static feature, running like an unchanging *leit motif* through the syncopated din of a century of revolutions and counterrevolutions, this argument and its conclusions would fall to the ground with the collapse of Carranza and prove of transitory value to all but students of political records. As the facts stand, however, the present crisis in Mexico merely adds strength to all that has been and will be said.

This arraignment of a century of misgovernment aims at no temporary amelioration of our relations with Mexico. It is opposed to compromise with any new link in the long chain of oligarchies which has held that country in bondage unless such compromise carries with it a factor of control, a principle of enduring stabilization. Individually my blood boils at the needless massacre of Americans and American traditions under

Univ Calif - Digitized by Microsoft ®

the Wilson illusion, but in my capacity as the interpreter of a condition I am bound to admit an unforeseen value in the results of the President's persistent apathy.

That value lies in the very extremes to which abandonment of our interests has been carried. At the President's dictation we bowed not only to a long list of specific outrages; we went further. We were put in the position of voluntarily discarding all the machinery adjusted throughout the history of the United States toward safeguarding international comity. The result is a wipe-out of established precedent and leaves us face to face with an opportunity never before equaled for resuming complete relations with Mexico on a new basis.

This point cannot be pressed home too strongly because if there is one danger which threatens above all others a permanent solution of the difficulties between the two countries, it can be found in our national tolerance toward weaker peoples, in our disposition to let the bygones of the past be bygones of the future and in our inclination to put

Univ Calif - Digitized by Microsoft ®

off trouble until to-morrow even if we are convinced that it must grow with each day's delay. With Carranza superseded by a fresh nominal head of the government of Mexico ostensibly friendly to the United States, what will be the tendency in this country? To call it quits.

I assert that that is a danger,—the danger of an alleviation substituted for a settlement. It would be to erect a temporary shack as a successor to the old building which the Wilson administration in the rôle of wrecker succeeded in completely leveling. We would be giving only half-service to our own immediate interests and the right to our heirs to look back from a black day in the future and say, "In 1920 you had all the strings of this puzzle at your fingers' ends; you could have settled it with a turn of the hand." Why not build solidly now for our own as well as future generations, for our own comfort and profit as well as for the well-being of Mexicans high and low?

How can this be done? Let us review the situation. On one side of the account Mexico owes

Univ Calif - Digitized by Microsoft ®

us reparation for five hundred and sixty-four murdered Americans (three more having been added to the list since Chapter VI of this book was written); settlement of approximately one thousand claims on file with the Department of State; a portion of her foreign obligations under the heading of loans and interest payments passed; and reversal of her policy of confiscation. On the other side of the ledger we owe her nothing beyond the fact that through their own ignorance many of her subjects residing in this country were caught by the draft.

This is merely the account current made up of specific items which, if Mexico should attain ability to pay, could be settled with any responsible head of her government. But there is another account of far greater importance which may be classed under the head of funds on deposit. What are the items that enter into it? Read them carefully. The future of legitimate interests; assured protection of life and property not only of foreigners but also of Mexicans; freedom of commerce from the stains of bribery and blackmail; the

Univ Calif - Digitized by Microsoft ®

right of way for trade over banditry; a *reasonable average* of justice in the national courts; prompt suppression of disorder; liquidation of foreign indebtedness, reestablishment of good faith as the basis of interrelations and actual religious freedom.

Does the settlement of this account look like a large order, incredible of fulfillment? It is attainable to us to-day by a reversal of every half-baked new doctrine infused into the Mexican embroglio by Wilson's administration. There is something distinctly ironical in that statement taken in conjunction with the list of benefits to be obtained, because the list I have given *covers every goal aimed at so blindly by the "policies" of watchful waiting, hands off, no protection to nationals abroad, self-determination and salvation from within.* In other words, pacifists and all those who have believed in the President's "stand" in regard to Mexico *as a means to an end* have been running away from the objects of their expressed desire.

We are now prepared to consider our problem reduced to final terms with a view to solution

Univ Calif - Digitized by Microsoft ®

through the establishment of a fixed and reasonable policy. What are the needs of Mexico? By grace of the bare fact that she has been unable to borrow abroad since the fall of Huerta her finances in the face of her resources are in excellent condition. She requires only $350,000,000 to put her square with the world. What she needs more than money, however, is the assurance that it will be well and legitimately spent, which requisition carries with it as a corollary the stability of elected government secured from without since it cannot be from within.

In return, what are our requirements of Mexico? Indemnity for murders of Americans and property losses; restitution of vested rights; expropriation by cash payments in lieu of worthless bonds for lands confiscated; security of channels of trade; the freeing of commerce from the shackles of tariff changes by presidential decree; suppression of banditry; liquidation of foreign obligations.

There are obstacles to the simultaneous attainment of these two programmes, but they are by

Univ Calif - Digitized by Microsoft ®

no means insurmountable. On the Mexican side, personal profit to whoever happens to be in control will rule the day; on the American, national apathy and an impatient impulse to be quit of a troublesome issue by postponement may easily ruin our chance for a permanent adjustment of every item enumerated above; but in that event let the administration responsible beware of the consequences. The obstacle of personal profit on the Mexican side is misnamed; it is an advantage, a fulcrum we should be swift to employ by making it distinctly unprofitable for any individual aspiring to the Mexican presidency to stand in the way of genuine reform or be the stumbling-block to *tangible* progress as opposed to illusory, endlessly repeated promises to be good.

How is this end to be attained? By substituting for the inanition of "watchful waiting," the policy of assertion; by replacing the passivity of "hands off" with a policy of graduated pressure; by admitting before the tribunal of God and the world that, whatever our secret inclination and intention, it was folly to abandon the parental

Univ Calif - Digitized by Microsoft ®

slipper by shouting aloud "no force against a weaker nation"; finally, by resorting to *negotiation by ultimatum only* as a corrective for the costly ills of no negotiation whatever under the guise of a benevolence which has wiped out our prestige south of the Rio Grande and made the potting of American traditions of liberty and justice the sport of Mexican authority and the potting of Americans the pastime of peons.

You are apt to think this a swing of the pendulum with a vengeance. It is. It marks the extreme of utility along the line of an established policy in contrast with the futility of the weather-vane of no policy whatever. It does not necessarily mean intervention by force of arms but it *does* mean business. It means that we would no longer sit back and wait for advances from those to whom delay brings nothing but profit, but that when we are ready to deal there will either be quick dealing or prompt trouble.

So far this argument has limited itself to abstract reasoning; let us turn now to direct application in a form easy to understand and conse-

Univ Calif - Digitized by Microsoft®

quently easy to value. The policy outlined has three phases: assertion, graduated pressure, negotiation by ultimatum.

Under assertion we should (1) declare at once to whoever happens to be in control of Mexico an arbitrary price for every American murdered. (2) We should secure the reestablishment of the principle that government-owned railways are as responsible as private concerns for the full value of goods in transit. (3) We should demand guarantees to commerce that tariff changes not specifically legislated by the National Congress shall bear ninety days' notice. (4) We should insist that the confiscatory clauses of the constitution of May, 1917, or of any other constitution shall not be retroactive against vested rights. (5) We should demand that sources of revenue pledged on the honor of the nation to specific foreign obligations, be collected for and applied to those obligations. (6) We should stipulate that outrages amounting to specific persecution of the Catholic Church be indemnified and that the

Univ Calif - Digitized by Microsoft ®

principle of absolute freedom in religious belief be reestablished.

Do these demands appear unreasonable? Are you not astonished that not one of them has been pressed by the Wilson administration? The first two entail the suppression of banditry; they must be drastically enforced to overcome the natural belief of the peon acquired during the last seven years that Americans can be murdered with impunity and that property and loot are one and the same thing. The third implies nothing beyond the assurance that merchants who will not stoop to bribery of government officials of every class, from cabinet officer to tally clerk, will have an equal chance with those who at present do. The fourth carries out to fruition the principles laid down in our stillborn fighting note of April 2, 1918. The fifth is merely a first step toward warding off the fully justified outcry that we may expect at any moment from England and France, demanding that we either raise the embargo of the Monroe Doctrine or insure their losses. The sixth is a matter of elementary justice, demanding

Univ Calif - Digitized by Microsoft ®

nothing more than equal treatment for every religious sect.

What are the steps of graduated pressure? (1) Refusal to send an ambassador. (2) Postponement of recognition. (3) Embargo on loans, private or governmental. (4) Embargo on exports and imports. (5) Closure of all channels of communication by sea or land. (6) Armed demonstration. (7) Intervention by force of arms.

Count those steps, name them by the seven names of the days of the week, and you will realize two things: (1) their terrific power, especially since we would in all probability be joined in No. 5 by England and France and possibly by Italy and Spain, and (2) that there is a broad margin of safety even for the pacifist between No. 1 and No. 7. Incidentally, the shock that we would be called upon to bear on waking up to find our Mexican policy equipped with a backbone would be nothing in comparison with the shock the same discovery would bring to all and sundry of the fermenting factions across the border.

Univ Calif - Digitized by Microsoft ®

Negotiation by ultimatum is the logical combination of the tenets of assertion and of graduated pressure. It will seem drastic only to those who are not intimately acquainted with the history of our relations with Mexico and who do not know that in the art of verbal subterfuge any Mexican who can read and write is our master. Words mean everything to him; facts nothing. Argument is not a means to an end but an end in itself. He will gab about national honor, national dignity, national pride, national sensitiveness and national sovereignty by the day and by the year to any one who will listen, but he will never say by any chance or on any provocation but one, "I admit the facts." The single provocation to which he bows, the only argument which he recognizes in his heart of hearts as valid in the long run, is force. That assertion strikes at the roots of his make-up; it applies equally to his interstate, national and international relations. It has just been demonstrated once more with peculiar emphasis. It carries a lesson many times repeated if we will only see it: whoever happens

Univ Calif - Digitized by Microsoft ®

to be on top, Diaz, Carranza, Obregon, Pablo Gonzalez or the civilian Robles Dominguez, Mexico is the same.

We now have the ingredients for a clear-cut sample deal: Mexico requires $350,000,000; we desire lasting stabilization of her internal and international situation. The policy of assertion implies that we do not wait, watchfully or otherwise. We should seek out the individual in majority control of Mexico and if there is none such, the leader best suited to our needs, and make him the following proposition. The United States will facilitate to his government of Mexico a loan of $350,000,000 on these conditions: That it be applied in conjunction with the country's normal sources of revenue, (1) to funding all national indebtedness; (2) to liquidating foreign obligations; (3) to settlement of outstanding claims; (4) to automatic indemnity for lives of foreigners murdered; (5) to the guaranteeing of goods in transit over national railways; (6) to the systematic suppression of banditry; (7) to productive reconstruction; (8) to the holding of free elections.

Univ Calif - Digitized by Microsoft ®

(9) The disbursing of all funds shall be intrusted to an international commission; in short, economic control.

Immediately upon acceptance of these terms we should proceed to meet the events that would inevitably follow in the most practical manner at hand, either by strengthening the majority control or by lending overwhelming support in the form of funds, arms and ammunition to the leader chosen as the instrument of reform. In case there was categorical refusal from all important Mexican factions we should issue ultimatum and promptly apply our thumbscrew of graduated pressure, concluding, if necessary, with military occupation.

I have outlined the transaction in what may appear to be brutal brevity with the double intention of leaving the issue clear beyond chance of cavil and showing it in its worst light. We would naturally use a certain measure of soft soap, but soft soap has no place in this argument; it is concerned only with grim actualities. And speaking of grim actualities there are two phrases employed above which will react on Mexicans as

Univ Calif - Digitized by Microsoft ®

red rags on a bull. One is "economic control"; the other is "military occupation." The stark finality of each might have been made more palatable by a coating of word-sugar but it would have been at the expense of clarity. It is intended that those phrases shall stand out nakedly because they are of paramount significance.

Economic control from without is the sine qua non of peace with Mexico and of peace within Mexico. Obregon or any other intelligent Mexican knows this to be the truth even if he does not dare say so publicly. Obregon cannot *ask* for such control, but in his heart of hearts he would be glad to have it forced upon him. Why? Because the maladministration of public funds has been the cause of the downfall of every one of the almost innumerable governments of the Mexican Republic. There is no exception, not even the reign of Diaz, who personally was no thief. Speaking of the Caja de Prestamos which Diaz and his Minister, Limantour, had planned for the salvation of the small farmer from the estate of peonage and which, as it turned out, became

Univ Calif - Digitized by Microsoft ®

merely the instrument through which a coterie of officials enriched themselves, W. F. McCaleb says:* "And thus was launched what was to prove to be one of the most colossal of Mexican failures—a failure which was to expose the Diaz administration to attack for deliberately playing into the hands of reckless friends. It is not to be believed, however, that the great President or his great minister were parties to any such plan. *They were beaten at the game.*"

The italics are mine. They are intended to emphasize the fact that not even a model of honesty among Presidents aided by a world-famous Minister of Finance of exceptional probity could stand against the perennial tide of Mexican graft which has overwhelmed one government after another with monotonous repetition and with every rising sweep has penetrated further and further with its corrosive influence into the vitals of the nation until to-day it is taken as a matter of course that ninety per cent. of all Mexican officials in positions of trust are openly corrupt and will

* *Present and Past Banking in Mexico*, by W. F. McCaleb.

Univ Calif - Digitized by Microsoft ®

inevitably continue so until controlled by some greater power than any single faction of their peers.

This is not a case of the pot calling the kettle black. We have graft in our city and occasionally in our state governments on what appears to us a large scale, but it almost invariably is graft in the shape of a rake-off on contracts for something actually produced,—highways, public buildings or major constructions. The graft of Mexico, however, is outright loot; its effect is to open simultaneously all the arteries of the body politic and to pour the entire output of the life-blood of the nation direct into the gullets of the group in power. Practically every evil and every misery in Mexico, intrinsically the richest land on earth, can be traced to maladministration of public funds. Wipe out authoritative robbery on a colossal scale, even reduce it in terms of human frailty to a reasonable average of official peculation such as we have in this country, and Mexico's long epoch of permanent unrest *will come to an end.*

We have an interest in that consummation and

Univ Calif - Digitized by Microsoft ®

we alone have the power and the opportunity to bring it about. It is a cause to which altruists, pacifists, merchants, consumers, dollar-diplomatists and citizens of every category can subscribe with equal sincerity and profit. Even self-determinists, if they will admit the fact of to-day as a stepping-stone toward the dream of to-morrow, will find in economic control the one germinating seed of the tree of national life. Nor will its blessings escape the perception of intelligent Mexicans. From the lips out, they must assail it with all the age-worn phrases of insulted sovereignty, but deep down in their hearts will ring such a pæan of thanksgiving as has seldom echoed in the breasts of an entire people.

I have set forth in a previous chapter the unholy alliance between the military and banditry in Mexico; a bandit is either the direct evolution of an unpaid soldier or he is armed and supplied with ammunition by an unpaid soldier. Economic control can destroy this alliance. How? By the organization of a force of picked Mexicans, commanded by Mexicans, *paid regularly and well* for

Univ Calif - Digitized by Microsoft®

the preservation of order, dismissed promptly for inefficiency. The plan is feasible. It is founded on certain elementary principles of human nature which have risen to the level of highly *effective* pride in the Askaris of Africa no less than in our own Texas Rangers, or the Canadian Mounted Police of the Northwest. There is but one absolutely essential condition: the power guaranteeing the safety of the money-bag at its source must be overwhelmingly greater than the power of any factional general inheriting an incontrollable disposition to loot. In plain English we must make it clear that we will immediately destroy any assailant of the financial organization.

I have also set forth in a previous chapter the fact that misery of the common people throughout Mexico is and often has been as heartrending in its own peculiar way as the tribulations of the Armenians. Mexicans have not been massacred by the thousands but they have been murdered by the hundreds and semi-starved by the millions. Summer and winter, year in and year out, they have been under the yoke of the oppressor, no

Univ Calif - Digitized by Microsoft ®

lighter for having been dubbed with the ironical title of "self-determinism." Factors of oppression have led one group of the masses against another; the masses have never in a single instance risen against oppression though they have too often been deluded into thinking they were doing so.

This condition arises from ignorance, ignorance from almost universal penury and penury from maladministration of public funds. Economic control will eliminate it. So great are the present natural resources of the country, so prolific the known sources of undeveloped wealth, so wide the possibilities of an industrial field swarming with unemployed labor, that it is reasonable to assume that ten years of financing along lines of legitimate reconstruction would raise the per capita wealth of the nation in ratio with its foreign indebtedness to as high a level as that of any other people in the world. That is an immediate material advantage but it carries in addition the seeds of a spiritual rejuvenation. It is almost an axiom that impoverished countries breed dishonesty in officials and the converse is equally true; a nation rich in

Univ Calif - Digitized by Microsoft ®

distributed wealth can find honest servants on the principle that full pockets tend to breed honest men.

No one can imagine a scheme of national reconstruction which would not include the establishment of a comprehensive system of lower education, and this feature alone of a broad-minded economic control should provide the leaven to raise Mexico in the course of years above the necessity of tutelage and back to the plane of an undivided sovereignty. For a century her leaders have been breaking promises of educational reform; I propose nothing more radical than to make them keep them.

It would be possible to continue for pages the elucidation of details in connection with the administration of economic control but enough has already been said to indicate the spirit and the scope of its proposed enforcement. A full list of its benefits would only tend to befog the public mind on the main issue of its necessity, of its ultimate inevitability. The question is only one of time. Shall we start now when the international

Univ Calif - Digitized by Microsoft ®

chess-board is swept clean of precedent or shall we make a forced beginning at some later date in the face of added complications?

Before some one else can say it for me, let me state here and now that economic control is intervention,—administrative intervention to forestall intervention under arms. Nothing short of a conviction that maladministration of public funds is the sole cause of a permanent condition of unrest in Mexico would justify this encroachment on her sovereignty. On the other hand, nothing short of the factors which make that unrest intolerable to us,—her nearness, the extent of American interests already involved, the legitimate demands of commerce, the annoyance of a constantly growing friction, the impossibility now or ever of escaping from her into our treasured shell of isolation,—could present the eventual action as inevitable.

In addition to that argument we face the obligation of a self-imposed responsibility. Under the Wilson administration we placed Carranza in power and assured him more autocratic latitude in any given month of his reign than we accorded

Univ Calif - Digitized by Microsoft ®

to Diaz during a quarter of a century of order. We were active parties to a more complete looting and destruction of national resources in Mexico than has ever before been accomplished. And to what an end! Bear witness not only the present upset of the Mexican garbage can but the silent protest of five hundred and sixty-four Americans murdered by a blood-relation as surely and as futilely as was Abel by Cain.

It has already been indicated that we should beware of dickering in promissory notes with Obregon or any other dominant leader in Mexico. It should be the intention of the policy of assertion to deal with hard facts as they turn up and let hopeful illusions take care of themselves, to give practical assistance on the basis of cash on delivery with the legal three days of grace and no more. The steps of graduated pressure, seven in number, by which this end is to be obtained, I have already listed and they are entitled to certain explanatory comment.

The first, refusal to send a fresh ambassador, has already received the effective sanction of the

Univ Calif - Digitized by Microsoft ®

Senate but, standing alone, it has little immediate force. In fact, the efficacy of the seven steps proposed depends on their cumulative weight being brought rapidly into play. To put it graphically, we should say in effect, "Accept our terms or we will refuse you an ambassador on Sunday, deny you recognition on Monday, embargo loans on Tuesday, stop all exports and imports on Wednesday, close all channels of communication on Thursday, make a naval demonstration on Friday and begin intervention under arms on Saturday."

The writer is not one of those superficial investigators of Mexico who have rashly prophesied that any given division of Mexicans will support intervention even when on its face it will operate to the personal profit of the group in question. He knows that such is not the case. A Mexican will tell you in private that he prays nightly for intervention but he knows that should he make the confession in public he would do it at the peril of his life. Nor do I believe that economic control will be accepted by any governing faction in

Digitized by Microsoft ®

Mexico without a fight *unless* the faction and the country at large are persuaded of its inevitability.

This means that we should face frankly the problem of military occupation. It is my personal opinion that a proper application of the six preceding steps of pressure will make this last resort unnecessary, but in justice to that large section of the American public which has acquired a very natural aversion toward the mere name of war on the grounds that it is too costly in lives and money, certain special features of the Mexican situation should be emphasized. In the first place, the rounding-up of Mexico could in all probability be accomplished with our regular army supported by volunteers at a cost of less lives than we have lost by murder in that country since the fall of Diaz. In the second place, this war would pay for itself and leave a dividend not only in happiness to tortured millions but in actual cash.

It is not long since the press reported that the State of Texas had offered to undertake from its own resources the complete subjection of Mexico if Washington would merely give its sanction and

Univ Calif - Digitized by Microsoft ®

while it is doubtful that the story is genuine, it nevertheless contains a kernel of truth in its assumption of military weakness across the border. We do not have to go back to the fact that General Scott won an uninterrupted sequence of battles and finally took Mexico City with a paltry ten thousand men in his command; we need only consider that Mexico to-day is weak not because Mexicans are poor fighters but because they have neither money, nor arms, nor ammunition to fight with.

It is for this reason that the term "military occupation" has been employed. The organized resistance which a sufficient and fully equipped invasion would be called upon to meet would be negligible. By an overwhelming advantage not only in numbers but in armament our losses could be reduced to a minimum and would doubtless be wholly accounted for by sniping.

By far the most important mission of the army would be the rapid pacification of ports and channels of commerce, for in this feature alone there would lie a prompt and surprisingly large cash

Univ Calif - Digitized by Microsoft®

return to our temporary authority as well as to native merchants, and there is no force quite so stabilizing as prosperity. Carranza's Controller of the Exchequer gave it out on more than one occasion that the army was swallowing sixty per cent. of the total revenue of the country and according to Carranza's own statement that revenue for the current fiscal year was to amount to $60,000,000,

The World War got us so accustomed to talking in billions that it is difficult to realize that an armed misunderstanding with Mexico has no single feature in common with the work we had to do in Europe, least of all as regards financing. The $36,000,000 which Mexico herself admits to be the price she paid her army for not pacifying the country, added to the large sum which we are spending regularly in policing the border,—a sum which since the fall of Diaz already totals over a billion dollars,—should very nearly cover the entire expense of feeding pacification to her from an iron spoon.

What are the sources of her revenue? Import

Univ Calif - Digitized by Microsoft ®

taxes, export taxes, internal excise. Ninety per cent. of the first two flow through the seaports of Tampico, Vera Cruz and Progresso and the land ports of entry on the border at Brownsville, Eagle Pass, Laredo, El Paso and Nogales. We should ignore all other points until after the taking of Mexico City.

The steps for the subjection of the country, not including total pacification, have naturally been fully discussed on more than one occasion by our military authorities and are easy of comprehension. In a nutshell they would comprise the formation of main bases at San Antonio, Galveston and New Orleans; landings and subsidiary bases at Tampico and Vera Cruz; two columns, one from Laredo, one from Tampico converging on Monterey where another strong base would be formed to withstand attacks from Chihuahua; two columns, one from Monterey and another from Tampico converging on San Luis Potosi, and after that all would be over bar the shouting as far as mere conquest is concerned.

These advances would all be along railways and

Univ Calif - Digitized by Microsoft ®

the same principle should be followed in the tedious work of pacifying the whole country. We should follow and possess thoroughly every railway radiating from Mexico City. Once that important step was taken we would be in immediate control of more revenue than Carranza ever thought of collecting, for it is an admitted fact that fifty per cent. of railroad receipts and forty per cent. of collections at Mexican ports of entry were never accounted for to the Carranza government.

This point of material benefit is stressed merely to support the contention that an occupation of Mexico could be made to pay for itself; but there are many Americans who do not worry over the cost of armed intervention half as much as they worry over the difficulties confronting occupation and total pacification. Basing their estimates on our experience in the Philippines, they say that the same accomplishment in Mexico would require ten years and a million men.

I dispute that prediction, not from military knowledge but from a knowledge of economic and social conditions in Mexico and of the personal

Univ Calif - Digitized by Microsoft ®

equation. Carranza at the height of his power never controlled all the important towns and railways of the country, but he *could have done so* had the military at any time been sincere in his support or in the work of wiping out banditry. The Mexican military never could be sincere in such a work of self-elimination. There is no question that our army would be sincere, and it is my opinion that with important towns, railways and ports, the total sources of revenue, firmly held and protected, pacification would follow automatically. The tendency of the peon is overwhelmingly toward peace. The moment markets presented a more profitable return than looting, markets would begin to win him.

This process would be slow unless we aided it by certain highly effective innovations (in Mexico) such as the offering of twenty-five cents for every cartridge turned in, twenty dollars for every gun and from five thousand to ten thousand dollars for every listed bandit leader delivered dead or alive, preferably dead, with a special prize of thirty thousand dollars for Pancho Villa dead. I

Univ Calif - Digitized by Microsoft ®

am not joking. This is good sense, if ever good sense was put in print. It is equally good reasoning to say that it would be possible to build up by an appeal to pride more rapidly in Mexico than in any other country a force of well paid Mexicans under Mexican leaders who would keep order with an iron hand in any district wholly entrusted to them and who would in turn be kept in order by personal profit linked to fear of the consequences of defection. Such a force would be the natural and most efficient instrument for cleaning up all outlying districts.

In conclusion I wish to repeat that the policy of assertion broadly sketched in this chapter need not lead to armed intervention in Mexico nor will it lead to that extreme unless our interminable administrative vacillation during the last seven years has made it absolutely impossible for the Mexican mind to believe that we at last mean business. This policy not only *is* a policy, but it presents Mexico with an alternative, a hard alternative but nevertheless a choice; economic control or military occupation. I desire to go on record

Univ Calif - Digitized by Microsoft ®

with the assertion that there is no middle ground. If we stop short of economic control, we will travel again and again mere byroads to peace. Negotiation with any ruler of Mexico which does not cling to economic control as an irreducible minimum will be nothing but a mowing of the disastrous weeds that spring perennially from maladministration of public funds in that unhappy country.

In surrendering the case of Mexico to the judgment and the verdict of the public, I wish to disclaim emphatically any chauvanistic tendency but in the same breath I wish to assert that Mexico in the hands of any oligarchy is a knife at our back, pricking us to-day, ready to stab us to-morrow. If any one can read these pages, condensed from an enormous mass of corroborative material for the benefit of the practical man in a hurry, and doubt the whole-hearted sincerity of the contention that they point the way toward a lasting peace, it will be because his mind's eye has been dulled by too much long-distance gazing.

For seven years we have allowed ourselves to

Univ Calif - Digitized by Microsoft ®

be led into ignoring the *dominance of fact in the daily life of nations as well as of individuals.* Who is foolish, the man who sees a mess and grabs for a mop or he who attempts to stand in the traffic at the corner of Broadway and Forty-second Street to fly a kite, fixes his persistent gaze upon it and murmurs over and over again, "The kite is at peace." I refuse to be a party to the flying of a kite of self-defeating altruism at the expense of our own broken bones and in the face of the age-long oppression of an entire people.

On May twenty-sixth of this year *The Freeman* headed its "Current Comment" with the following remarks: "Here is something really worth while. In Washington, May tenth, Mr. Chamberlain, our former Consul-General in Mexico, gave a straightforward, four-square, definite programme of what we should do in Mexico:

"We should offer a loan sufficient to put its finances in shape, bound up with a treaty which would give us direct supervision of its economic affairs. The second step should be to withdraw the present recognition unless that was accepted. Still failing acceptance, the third step should be

Univ Calif - Digitized by Microsoft ®

embargo; the fourth, commercial blockade; the fifth, a naval demonstration; lastly, a military occupancy.

"One can understand that kind of talk and respect it. It is free from the nauseating humbug and buncombe which always goes with a British or American project of robbing one's neighbours. It advocates simple and undecorated highwaymanry; and if we can't resist the temptation to steal Mexico's property, let us by all means have the manly hardihood to say so, and not go snuffling around with our customary line of disgusting cant about doing Mexico for her own good, making Mexico safe for democracy, or what not. All honour to Mr. Chamberlain; this paper detests his doctrine, but it respects him sincerely, and trusts that his example will prevail mightily among the other buccaneers in Washington whose jaws are slavering over Mexico at this moment."

The qualified flattery of this excerpt more than balances the epithets of "highwayman" and "buccaneer." I welcome all of its inferences. The difference between Editor Fuller and myself,

Univ Calif - Digitized by Microsoft ®

aside from the nationality betrayed by his spelling, is the age-long division between the theorist with a pen and the man with the mop. There are certain natures which will endure an open cesspool because it happens to be located across a garden boundary line; there are others to which an open cesspool is a cesspool and a nuisance wherever you find it. The right of a country to misgovern itself is comparatively new in print but as dead in practise as the divine right of kings. The sources of this world's wealth are irrepressible springs; the peoples who give them no adequate outlet are doomed to be swept away sooner or later by the flood of their release at the touch of an alien wand. That assertion is founded on the theory of no man nor even on common sense; it merely states an historical fact of social evolution, not as communists would wish to see it but as nature ordains. It is not our fault that the law exists, but we all know it by heart; why not say so and be done with hypocrisy.

Nor is the welfare of humanity divided into so many city lots entailed in perpetuity to this or

Univ Calif - Digitized by Microsoft ®

that nation regardless of the uses to which the inheritance is put. The course of human welfare has its own fixed laws and its own slow but sure way of crossing arbitrary racial boundaries. Why fool ourselves or attempt to fool the world with admirable but ridiculous aspirations of isolation which become criminal the moment they make our eyes roll heavenward or toward Armenia in order to avoid looking in the face a job of imperative hygiene next door?

There are doubtless among my readers some old enough in years or in historical recollection to recall the vogue of the Manifest Destiny,—the slogan of those American statesmen who openly championed the absorption of Mexico and Central America. Never was a movement better named. Disclaimed by generations, denied by politicians, repudiated by administrations, it travels its appointed road so ponderously that intervals of decades half obliterate the memory of its last advance; even presidents who would obstruct its course come to the full sense of their impotence

Univ Calif - Digitized by Microsoft ®

only when it has swallowed and digested them. So in days to come the historian will see in President Wilson, the altruist, an individual who by vicariously carrying chaos in Mexico to its highest pitch will have done the most toward destroying that country's national entity.

Does this mean that the fulfillment of the Manifest Destiny in terms of territorial acquisition is inevitable whatever we do? It does not. It means that such a result is inevitable if we do nothing. There is just one way to fight a prairie fire and that is by starting another fire; there is just one way to obstruct the march of human welfare on its way to fill a vacuum and that is by the establishment of an opposing growth of like quality. The Mexican peoples are certainly worth saving and they will be saved if altruists can be shelved long enough for practical men to throw out a lifeline; but if dreamers are to fiddle in Washington while the fires of oppression continue to burn across the border the day will inevitably come when the

Univ Calif - Digitized by Microsoft®

absorption of Mexico, lock, stock and barrel, will be forced down our throats by the rigid finger of a destiny as implacable as the laws which decree that water shall flow down-hill.

Americans to-day are surprisingly unanimous in their hope for a new hand on the helm of the ship of state. As regards Mexico, Republicans and Democrats alike demand no spectacular evolutions but a radical and deliberate change of the course out of the doldrums of stagnation and into the clean and open sea. Either party on assuming the fresh mandate could well subscribe to the following creed: *Believing that there is an underlying cause for the permanent condition of unrest during a century of self-determination in the Republic of Mexico and that we should fully recognize no new government in that country until the rights of Americans no less than those of the submerged masses of the Mexicans shall have been safeguarded by treaty stipulations insuring international justice and internal stability, we acknowledge an obligation to substitute an active policy to*

Univ Calif - Digitized by Microsoft ®

this end in place of the negative and destructive passivity which during the Wilson administration has uprooted American traditions and at the same time brought nothing but disaster to the Mexicans themselves.

THE END

God have true is this book
I am an American as
27 years experience in
Mexico and I am
ashamed of my nation

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®

Univ Calif - Digitized by Microsoft ®